




bravura
solutions

prospectus

bravura solutions limited ABN 15 111 148 826

Lead Manager

 **UBS** Investment
Bank



Bravur'a *n.* Brilliant or ambitious performance;
passage or style requiring exceptional powers.

Important information

LODGEMENT AND LISTING

The Offer contained in this Prospectus is an invitation to apply for New Shares in Bravura Solutions Limited (**Bravura Solutions**). This Prospectus is dated 7 March 2007 (**Prospectus Date**) and has been lodged with the Australian Securities and Investments Commission (**ASIC**). The expiry date of this Prospectus is 6 April 2008 (**Expiry Date**). ASIC and ASX Limited (**ASX**) take no responsibility for the contents of this Prospectus.

The Offer is being made by Bravura Solutions in respect of subscriptions for New Shares.

No person is authorised to provide any information or to make any representation in connection with the Offer described in this Prospectus, which is not contained in this Prospectus. Any information or representation not in this Prospectus may not be relied on as having been authorised by Bravura Solutions in connection with the Offer. No New Shares will be sold, allotted or issued on the basis of this Prospectus later than the Expiry Date. Bravura Solutions will apply within seven days after the Prospectus Date to ASX for quotation of the New Shares on ASX.

NOTE TO APPLICANTS – THIS IS NOT INVESTMENT ADVICE

The Offer does not take into account the investment objectives, financial situation or particular needs of any investor. It is important that you read the entire Prospectus before making any decision to invest in the Offer. In particular, in considering the prospects of Bravura Solutions, it is important that you consider the risk factors that could affect the financial performance of Bravura Solutions. You should carefully consider these factors in light of your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest. Some of the risk factors that should be considered by prospective investors are set out in section 6.

ELECTRONIC PROSPECTUS

This Prospectus may be viewed in electronic form at www.bravurasolutions.com. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. Persons having received a copy of this Prospectus in its electronic form may, during the Offer Period, obtain a paper copy of this Prospectus (free of charge) by telephoning the Bravura Solutions Infoline on 1300 855 080 or +61 3 9415 4000.

No Entitlement and Acceptance Form will be included with the electronic form of this document. Applications for New Shares may only be made on the Entitlement and Acceptance Form. The Offer is available only to holders of Bravura Solutions Shares at the Record Date and is non-renounceable, which means the right to acquire New Shares is not transferable and cannot be sold. There is no general public offer.

The Corporations Act prohibits any person from passing the Entitlement and Acceptance Form on to another person unless it is accompanied by a hard copy of this Prospectus.

FINANCIAL INFORMATION

All financial amounts contained in this Prospectus are expressed in Australian currency unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

PHOTOGRAPHS

Photographs used in this Prospectus which do not have accompanying descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that any people or assets depicted in the photographs are the employees or assets of Bravura Solutions.

FOREIGN JURISDICTIONS

This Prospectus has been prepared to comply with the requirements of the laws of Australia. The Offer is not being extended outside Australia or New Zealand. In making the Offer available to Eligible Shareholders in New Zealand, Bravura Solutions is relying on the Securities Act (Overseas Companies) Exemption Notice 2002. The distribution of this Prospectus (including in electronic form) in jurisdictions outside Australia and New Zealand may be restricted by law. Persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify this Prospectus or to otherwise permit a public offering of New Shares outside Australia and New Zealand. In particular, this Prospectus has not been registered under the United States Securities Act of 1933 (**Securities Act**), and Shares may not be offered or sold in the United States or to, or for the account or benefit of, a US person (as defined in Regulation S of the Securities Act).

PRIVACY

The Entitlement and Acceptance Form accompanying this Prospectus requires you to provide information that may be personal information for the purposes of the Privacy Act 1988 (Cth) (as amended). Bravura Solutions (and the Registry on its behalf) may collect, hold and use that personal information in connection with your Application, service your needs as an investor in Bravura Solutions, provide facilities and services that you request or that are connected with your interest in the Shares of Bravura Solutions and carry out appropriate administration. Tax and company law also requires some of the information to be collected in connection with your Application. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

The information may also be disclosed to members of Bravura Solutions and to their agents and service providers on the basis that they deal with such information in accordance with Bravura Solutions' privacy policy. Your information may also be used or disclosed from time to time to inform you about Bravura Solutions' products or services that Bravura Solutions thinks may be of interest to you. If you do not want your personal information to be used for this purpose, you should contact Bravura Solutions through the Registry at the telephone number or address listed below.

Under the Privacy Act 1988 (Cth), you can request access to your personal information by writing to, or telephoning, the Registry:

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000

Phone: 1300 855 080
or +61 3 9415 4000 (overseas holders)

Email: privacy@computershare.com.au

GLOSSARY

Certain expressions used in this Prospectus have defined meanings, which are explained in the Glossary.



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Key information

This Prospectus contains details of an offer of New Shares in Bravura Solutions to raise up to \$42.9 million. The purpose of the Offer is to provide financial flexibility for Bravura Solutions, following increases in debt and working capital as a result of recent acquisitions and new contract wins. The proceeds will be applied to reduce debt and fund increased working capital, enabling Bravura Solutions to pursue its growth strategy through future acquisitions and growth opportunities.

The Offer is a non-renounceable entitlement issue to Eligible Shareholders. Under the Offer, Eligible Shareholders will be entitled to subscribe for 1 New Share for every 6 Existing Shares held on the Record Date. Eligible Shareholders will also have the ability to apply for more than their Entitlement.

The Offer Price is \$2.10 per New Share. New Shares will not be eligible for the interim dividend for the half year ended 31 December 2006 but will rank equally with Existing Shares for dividends for the six month period ending 30 June 2007 and thereafter.

Important Dates

Prospectus Date	Wednesday 7 March 2007
Record Date for determining Entitlement	Friday 16 March 2007
Offer Opening Date	Thursday 22 March 2007
Offer Closing Date	Wednesday 4 April 2007
Trading on ASX of New Shares on a deferred settlement basis	Thursday 5 April 2007
Allotment	Friday 13 April 2007
Trading on ASX of New Shares on a normal settlement basis	Tuesday 17 April 2007

These dates are subject to change and are indicative only. Bravura Solutions, with the Lead Manager's agreement, reserves the right to amend the indicative timetable. Bravura Solutions reserves the right, subject to the Corporations Act and the Listing Rules, to close the Offer early, to extend the latest date for receipt of Entitlement and Acceptance Forms either generally or in particular cases, or to delay or cancel the Offer without prior notice.

Quotation of New Shares

Bravura Solutions will apply to ASX within seven days after the Prospectus Date for New Shares to be quoted on ASX. Quotation of New Shares is not guaranteed. If ASX does not grant permission for New Shares to be quoted within three months after the date of this Prospectus (or any longer period permitted by law), New Shares will not be issued and all Application Monies will be refunded (without interest) to Applicants as soon as practicable.

Making an Application

The period between the Offer Opening Date and the Offer Closing Date is known as the Offer Period.

Applications will generally only be accepted during the Offer Period. However, Bravura Solutions reserves the right to accept any Entitlement and Acceptance Forms received after the Offer Closing Date. You can obtain a copy of this Prospectus and your personalised Entitlement and Acceptance Form by calling the Bravura Solutions InfoLine on 1300 855 080 or +61 3 9415 4000.

For information on who is eligible to apply for New Shares under the Offer and how to make an Application, see section 2.4.

Enquiries

Questions relating to the Offer should be directed to your accountant, financial advisor, stockbroker, lawyer or other professional advisor.

Questions relating to how to complete the Entitlement and Acceptance Form, or any aspect of your individual holding in Bravura Solutions, should be directed to the Bravura Solutions InfoLine on 1300 855 080 or +61 3 9415 4000.

This Prospectus should be read carefully and in its entirety. In particular, you should consider the risk factors set out in section 6.



Chairman's letter

7 March 2007

Dear Shareholder,

On behalf of the Directors of Bravura Solutions, I am pleased to offer you the opportunity to participate in a non-renounceable entitlement issue.

Under the Offer, Eligible Shareholders are entitled to subscribe for 1 New Share for every 6 Existing Shares held on the Record Date. Eligible Shareholders will also have the ability to apply for more than their Entitlement. The Offer Price is \$2.10 per New Share and Bravura Solutions seeks to raise up to \$42.9 million under the Offer. The Management Shareholders intend to take up their full Entitlement under the Offer which represents \$15.7 million of the capital being sought. The Management Shareholders do not intend to apply for any Oversubscriptions.

Since the Initial Public Offering (IPO) in June 2006, Bravura Solutions has rapidly grown its UK and European presence in line with its business objectives and growth strategy.

In December 2006 Bravura Solutions successfully completed the acquisitions of Rufus and AB Prodata in the UK and Luxembourg. These acquisitions have given Bravura Solutions access to 24 new global clients, an additional 227 experienced staff and complementary Wealth Management Applications.

Concurrently with these acquisitions, the underlying business has performed strongly, winning contracts for the development of wrap platforms for both Friends Provident and Nucleus in the UK, and, signing a Letter of Engagement with New York Life in Asia, for the proposed implementation of Talisman. Bravura Solutions is now well placed to take advantage of future growth expected in the Asian region.

Bravura Solutions has also continued to invest in the development of its wealth management applications in partnership with clients, upgrading Talisman and continuing the development of Sonata. Bravura Solutions is now well established as a major participant in both the Asia Pacific and European Wealth Management Industries, with over 550 staff and 150 clients.

In February 2007, Bravura Solutions' accomplishments in the UK market were recognised when the Company won the UK Adnitor Award for 'Industry Achievement for Administration Technology'. In addition, since 2 February, Bravura Solutions has been included in the S&P/ASX300 Accumulation Index.

Bravura Solutions' working capital requirements have also grown significantly since the IPO. The increase in scale and scope of Bravura Solutions' operations in Europe and Asia has required a significant increase in the number of administrative and corporate staff. In addition, new contracts with large global clients have required allocating greater resources and staff to support larger implementation projects and professional services.

Additional funds are now being sought to ensure Bravura Solution's growth can continue. The purpose of the Offer is to provide financial flexibility for Bravura Solutions, following increases in debt and working capital as a result of recent acquisitions and new contract wins. The proceeds will be applied to reduce debt and fund increased working capital, enabling Bravura Solutions to pursue its growth strategy through future acquisitions and growth opportunities. Bravura Solutions' debt facilities will remain in place and will provide capacity for further acquisitions in accordance with Bravura Solutions' growth strategy.

This Prospectus contains detailed information about the Offer and Bravura Solutions' operations, financial performance, prospects and risks. Details of the potential risk factors associated with the Offer are set out in section 6. I recommend that you read the entire Prospectus and, in particular, section 6 carefully before making a decision in relation to your Entitlement.

On behalf of the Directors, I recommend the Offer to you and thank you for your continued support.

Yours sincerely,

Chris Ryan
Chairman



Our position

more than

18 million

superannuation and pension, life insurance and investment accounts are administered using **Bravura Solutions** applications



Bravura Solutions has offices in Sydney, Melbourne, Adelaide, Brisbane, Auckland, Wellington, London, Edinburgh, Luxembourg, Manchester, Hong Kong, Bangkok, Bangalore and Johannesburg.

Bravura Solutions has a range of financial services clients in Australia, New Zealand, the United Kingdom, Europe, Asia and South Africa.



more than
A\$800 billion

of assets are administered using
Bravura Solutions applications



Many of Australia's largest third-party administrators use Bravura Solutions' Professional Services and Wealth Management Applications, with major clients including National Group, Commonwealth Bank and ING.

As with any investment in the stock market, an investment in Bravura Solutions has a number of risks. See section 1 and section 6 for details of the risks associated with an investment in Bravura Solutions.



1. Your questions answered

The table below includes some commonly asked questions and answers in relation to the Offer and where to find more information within this Prospectus. This section should be read in conjunction with the remainder of the information contained in this Prospectus, including the risk factors in section 6.

Topic	Summary	See section(s)
Who is the issuer of this Prospectus?	Bravura Solutions Limited (ABN 15 111 148 826) (Bravura Solutions).	3
What is the Offer?	The Offer is a non-renounceable non-underwritten entitlement issue to Eligible Shareholders. Eligible Shareholders are entitled to subscribe for 1 New Share for every 6 Existing Shares held on the Record Date.	2
Who can participate in the Offer?	Shareholders on the Record Date with registered addresses in Australia or New Zealand.	2.3.1
What is the purpose of the Offer?	The purpose of the Offer is to provide financial flexibility for Bravura Solutions, following increases in debt and working capital as a result of recent acquisitions and new contract wins. The proceeds will be applied to reduce debt and fund increased working capital, enabling Bravura Solutions to pursue its growth strategy through future acquisitions and growth opportunities.	2.2
What are the terms of the Offer?	<ul style="list-style-type: none"> The Offer opens on Thursday 22 March 2007. The Offer closes at 5.00pm (Sydney time) on Wednesday 4 April 2007. Each Eligible Shareholder's Entitlement is 1 New Share for every 6 Existing Shares held on the Record Date. Eligible Shareholders can apply for additional New Shares over and above their Entitlement. Fractional Entitlements will be rounded up to the next whole New Share. Entitlements are non-renounceable and cannot be transferred or sold. The Offer Price is \$2.10 per New Share. New Shares issued under the Offer are expected to be allotted on Friday 13 April 2007 and are expected to commence deferred settlement trading on ASX on Thursday 5 April 2007. Normal trading is expected to commence on Tuesday 17 April 2007. 	2
What are the terms of issue of New Shares issued under the Offer?	New Shares issued under the Offer will be issued on the same terms as Existing Shares. New Shares will rank equally with Existing Shares except in respect of the interim dividend declared for the six months ended 31 December 2006.	2
Can Eligible Shareholders apply for more New Shares than their Entitlement?	Yes, Eligible Shareholders can apply for more New Shares than their Entitlement by completing the oversubscription section of their Entitlement and Acceptance Form.	2.3.2
Can members of the public apply for New Shares?	The Offer is only open to Eligible Shareholders. Public investors who are not Eligible Shareholders cannot participate in the Offer.	2.3.1

Topic	Summary	See section(s)
What is the Offer Price?	\$2.10 per New Share.	2.3
What is the size of the Offer?	Up to 20.4 million New Shares at \$2.10 per New Share, raising up to \$42.9 million. As the Management Shareholders have indicated they intend to take up their Entitlement, the minimum amount raised will be \$15.7 million.	2.3
When does the Offer open?	Thursday 22 March 2007.	2.1
When does the Offer close?	5.00pm (Sydney time) Wednesday 4 April 2007.	2.1
Where do I get an Entitlement and Acceptance Form?	An Entitlement and Acceptance Form should accompany this Prospectus. Eligible Shareholders should make their Application on the personalised Entitlement and Acceptance Form. If you have not received an Entitlement and Acceptance Form, please contact the Bravura Solutions InfoLine on 1300 855 080 or +61 3 9415 4000.	2.14
Where do I return my Entitlement and Acceptance Form?	<p>Mail to:</p> <ul style="list-style-type: none"> • Computershare Investor Services Pty Limited GPO Box 253, Sydney NSW 2001 <p>Deliver to:</p> <ul style="list-style-type: none"> • Computershare Investor Services Pty Limited Level 3, 60 Carrington Street, Sydney NSW 2000 	2.4
When can I trade the New Shares?	Bravura Solutions will apply within seven days after the Prospectus Date for the New Shares to be quoted on ASX. Deferred settlement trading of New Shares on ASX is expected to commence on Thursday 5 April 2007. Normal trading is expected to commence on Tuesday 17 April 2007.	2.7
What are some of the potential risks of the Offer which may be significant?	<p>As with any investment in the stock market, an investment in Bravura Solutions has a number of risks. In addition to more general risks, risks specific to an investment in Bravura Solutions and the industry in which Bravura Solutions operates include:</p> <ul style="list-style-type: none"> • The ability to realise uncontracted forecast revenue; • Regulation and legislative changes; • The ability to rollout Sonata on time and to deliver on contracts according to specifications; • Product development and technology risk; • Growth and acquisition risk; • The retention and attraction of key personnel; and • Client attraction and retention of key clients. <p>You should carefully consider the risks associated with an investment in Bravura Solutions and consult your financial adviser before making any investment decision.</p>	6

Topic	Summary	See section(s)
<p>What is Bravura Solutions' dividend policy?</p>	<p>At the time of the IPO the Directors intended to distribute between 40% and 50% of Bravura Solutions' after tax profits as dividends. In accordance with this policy the Directors declared the first interim dividend for the half year ended 31 December 2006 of 1.2 cents per Share which is payable in April 2007. The first interim dividend for the half year ended 31 December 2006 will be fully franked.</p> <p>However, due to recent and forecast growth of the business and increasing working capital requirements the Directors have resolved to amend Bravura Solutions' dividend policy. The Director's currently intend to distribute between 25% to 30% of Bravura Solutions' after tax profits as dividends, payable half-yearly in April and October each year. Dividends will be franked to the maximum extent possible.</p> <p>No assurance can be given about Bravura Solutions' future dividend policy, the extent of future dividends or the franking of dividends. These matters will depend upon the future profits of Bravura Solutions and its financial and taxation position as well as general business and financial conditions and any other factors the Directors may consider relevant.</p>	5.10
<p>When may I expect my first dividend?</p>	<p>New Shares are not eligible to receive the interim dividend for the six months ended 31 December 2006 of 1.2 cents per share which is payable in April 2007. New Shares will be eligible to receive dividends payable for the six months ending 30 June 2007 and thereafter.</p>	5.10
<p>What are the fees and costs of the Offer?</p>	<p>Costs associated with the Offer total approximately \$2.5 million and will be paid out of the Offer Proceeds.</p>	8.10
<p>Is there a cooling-off period?</p>	<p>No, there is no cooling-off period in relation to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been made. However, once the New Shares are quoted on ASX, you can offer your New Shares for sale.</p>	2.7
<p>How can further information be obtained?</p>	<ul style="list-style-type: none"> • By speaking to your accountant, financial adviser, stockbroker, lawyer or other professional adviser. • By calling the Bravura Solutions InfoLine on 1300 855 080 or +61 3 9415 4000 or by visiting www.bravurasolutions.com. • The Bravura Solutions InfoLine will be open from 8.30am until 5.30pm (Sydney time) Monday to Friday from the date of this Prospectus. 	2.14



2. Details of the Offer

2.1 Important dates

Event	Date
Prospectus Date	Wednesday 7 March 2007
Record Date for determining Entitlements	Friday 16 March 2007
Offer Opening Date	Thursday 22 March 2007
Offer Closing Date	Wednesday 4 April 2007
Trading on ASX of New Shares on a deferred settlement basis	Thursday 5 April 2007
Allotment	Friday 13 April 2007
Trading on ASX of New Shares on a normal settlement basis	Tuesday 17 April 2007

These dates are subject to change and are indicative only. Bravura Solutions, with the Lead Manager's agreement, reserves the right to amend the indicative timetable. Bravura Solutions reserves the right, subject to the Corporations Act and the Listing Rules, to close the Offer early, to extend the latest date for receipt of Entitlement and Acceptance Forms either generally or in particular cases, or to delay or cancel the Offer without prior notice.

2.2 Purpose of the Offer

The purpose of the Offer is to provide financial flexibility for Bravura Solutions, following increases in debt and working capital as a result of recent acquisitions and new contract wins. The proceeds will be applied to reduce debt and fund increased working capital, enabling Bravura Solutions to pursue its growth strategy through future acquisitions and growth opportunities.

2.3 The Offer

Bravura Solutions proposes to offer approximately 20.4 million New Shares at the Offer Price of \$2.10 per New Share, which is payable at the time of Application, to raise up to \$42.9 million.

All New Shares issued pursuant to the Offer will be allotted pursuant to this Prospectus.

Shares on issue

Shares	Shares
Prior to Offer	122,693,481
Maximum New Shares to be issued under the Offer	20,448,914
Maximum Shares on issue after the Offer	143,142,395

As the Management Shareholders have indicated they intend to take up their full Entitlement, the minimum number of New Shares to be issued will be 7.5 million.

Bravura Solutions, with the Lead Manager's agreement, reserves the right, subject to the Corporations Act and the Listing Rules, to close the Offer early, to extend the latest date for receipt of Entitlement and Acceptance Forms either generally or in particular cases, or to delay or withdraw the Offer at any time without prior notice, in which case all Application Monies for New Shares which have not been issued will be refunded (without interest) as soon as practicable.

2.3.1 Entitlement

Shareholders on the Record Date (5.00pm (Sydney time), Friday 16 March 2007) with registered addresses in Australia or New Zealand will receive an Entitlement to subscribe for 1 New Share for every 6 Existing Shares held on the Record Date. In calculating Entitlements, fractional Entitlements will be rounded up to the next whole New Share.

The Entitlement is non-renounceable, which means the right to acquire New Shares is not transferable and cannot be sold. The New Shares will be transferable once they are quoted on ASX.

In order for Eligible Shareholders to ensure they receive their Entitlement, Applications must be made on the personalised Entitlement and Acceptance Form accompanying this Prospectus. Entitlement and Acceptance Forms must be completed in accordance with the instructions on the reverse of the form. Details on how to apply for New Shares are set out in section 2.4.

Shareholders with registered addresses outside Australia or New Zealand are not eligible to participate in the Offer (Ineligible Shareholders). In accordance with the Listing Rules, Bravura Solutions considers it unreasonable to extend to the offer to such Shareholders having regard to the number of such Shareholders, the number and value of New Shares that would be offered to such Shareholders and the costs of complying with the legal and regulatory requirements of jurisdictions outside Australian and New Zealand.

2.3.2 Oversubscriptions

Eligible Shareholders may apply for additional New Shares (Oversubscription Applications) over and above their Entitlement, which additional New Shares may become available if other Eligible Shareholders do not apply for their full Entitlement. Such applications will only be satisfied from any shortfall between the number of New Shares applied for under the Offer and the total number of New Shares offered under the Offer.

All Eligible Shareholders will receive their Entitlement as applied for, however any amount by which an Application exceeds their Entitlement may be declined or scaled back by Bravura Solutions in its absolute discretion after consultation with the Lead Manager.

There is no assurance that Applicants will be allocated any New Shares in addition to their Entitlement as a result of Oversubscription Applications.

See section 2.6 on how Oversubscription Applications will be dealt with.

2.4 How to participate in the Offer

2.4.1 Eligible Shareholders

If you are an Eligible Shareholder, you may take any of the following actions in relation to your Entitlement:

- Take up your Entitlement in full (see section 2.4.2);
- Take up only part of your Entitlement (see section 2.4.3);
- Take up your Entitlement in full and apply for New Shares in addition to your Entitlement (Oversubscription Applications) (see section 2.4.4);
- Take up none or only some of your Entitlement and apply for New Shares not part of your Entitlement (Oversubscription Applications) (see section 2.4.4); or
- Do nothing and forfeit your Entitlement (see section 2.4.5).

If you take up any part of your Entitlement and/or make an Oversubscription Application, you should forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft for the Application Monies, to the Registry at either of the following addresses:

Mail to: Computershare Investor Services Pty Limited
 GPO Box 253
 Sydney NSW 2001

or Deliver to: Computershare Investor Services Pty Limited
 Level 3, 60 Carrington Street
 Sydney NSW 2000

A reply paid envelope is enclosed for your convenience.

If you have not received an Entitlement and Acceptance Form, please contact the Bravura Solutions InfoLine on 1300 855 080 or +61 3 9415 4000.

2.4.2 If you wish to take up your Entitlement in full

If you are an Eligible Shareholder, and you wish to take up all of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form, indicating that you wish to take up your full Entitlement.

2.4.3 If you wish to take up only part of your Entitlement

If you are an Eligible Shareholder, and you wish to take up part of your Entitlement only, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form, nominating the number of New Shares you wish to apply for. Your holding of Existing Shares will, however, be diluted because the issue of New Shares will increase the total number of Shares on issue. The New Shares that you were entitled to but do not take up will form part of the shortfall which can be applied for by those making Oversubscription Applications.

2.4.4 If you wish to make an Oversubscription Application

If you are an Eligible Shareholder, and you wish to apply for New Shares in addition to your Entitlement (Oversubscription Application), complete the accompanying Entitlement and Acceptance Form, indicating the number of New Shares in your Entitlement that you wish to apply for, and the number of New Shares not part of your Entitlement that you wish to apply for.

You will only be able to acquire New Shares pursuant to an Oversubscription Application if there is a shortfall between the number of New Shares applied for under the Offer, and the total number of New Shares offered under the Offer. See section 2.6 for more details of how Oversubscription Applications will be dealt with.

2.4.5 Entitlement not taken up – if you do nothing

If you do nothing, you will forfeit your Entitlement and continue to own the same number of Existing Shares. Your holding of Existing Shares will, however, be diluted because the issue of New Shares will increase the total number of Shares on issue. The New Shares that you were entitled to, but do not take up, will form part of the shortfall which can be applied for by those making Oversubscription Applications.

2.5 Payment

The Offer Price of \$2.10 per New Share is payable in full on Application. Entitlement and Acceptance Forms must be accompanied by a cheque or bank draft drawn as payable on an Australian or New Zealand branch of any Australian bank and in Australian dollars for the amount of the Application Monies, payable to 'Bravura Solutions Limited' and crossed 'Not Negotiable'.

Applicants must not forward cash. Receipts for payment will not be issued.

2.6 Allocation policy and Oversubscription mechanism

All Eligible Shareholders who apply for all or part of their Entitlement will, at a minimum, have such Applications satisfied up to their Entitlement unless all or part of the Offer is withdrawn.

Eligible Shareholders may also apply for more than their Entitlement by completing the oversubscription section of their Entitlement and Acceptance Form (see Section 2.4.4 above). Eligible Shareholders who apply for New Shares in addition to their Entitlement (Oversubscription) may, at the discretion of Bravura Solutions after consultation with the Lead Manager, participate in any 'shortfall' which is available after the allocation of Entitlements to each Eligible Shareholder who has applied for all or part of their Entitlement.

The Management Shareholders do not intend to apply for any Oversubscriptions.

The allocation of New Shares to those Eligible Shareholders who make Oversubscription Applications will be determined by Bravura Solutions in its absolute discretion after consultation with the Lead Manager.

You may apply for Oversubscriptions even if you do not apply for your Entitlement. However, while you are assured of obtaining your Entitlement, subject to the terms of the Entitlement, there is no guarantee you will receive an allocation of Oversubscriptions for which you apply.

If you complete the Oversubscriptions section of the Entitlement and Acceptance Form and send it to the Registry, you will be taken to have applied to participate in respect of any shortfall, up to the limit which you have specified in your Entitlement and Acceptance Form.

Any amount by which an Application from an Eligible Shareholder exceeds their Entitlement may be declined or scaled back, at the absolute discretion of Bravura Solutions after consultation with the Lead Manager. If the number of New Shares allotted is fewer than the number applied for, surplus application monies will be refunded in full without interest.

2.7 Trading restrictions

It is your responsibility to ensure you have been allocated New Shares before trading New Shares to avoid the risk of selling New Shares you do not own. To assist you in confirming your allocation of New Shares before you receive your holding statement, you may call the Bravura Solutions InfoLine on 1300 855 080 or +61 3 9415 4000. If you sell New Shares before you receive your holding statement confirming your allocation, you do so at your own risk.

2.8 Application Monies and interest

Monies received from an Applicant for New Shares offered pursuant to the Offer will be held on trust by Bravura Solutions in the Application Monies Account established and kept by Bravura Solutions solely for the purpose of depositing the Application Monies until any corresponding New Shares are issued.

Bravura Solutions reserves the right to cancel the Offer at any time, in which case all Application Monies will be refunded (without interest) as soon as practicable.

To the fullest extent permitted by law, each Applicant agrees that such Application Monies will not bear interest, and that any interest earned in respect of Application Monies paid into the Application Monies Account will belong to Bravura Solutions, irrespective of whether all, or any of the New Shares applied for by the Applicant are issued to the Applicant (including where all or part of the Offer is withdrawn).

2.9 ASX quotation

Application will be made within seven days after the Prospectus Date for quotation of the New Shares on ASX. Subject to approval being granted, quotation of the New Shares is expected to commence on a deferred settlement basis on Thursday 5 April 2007, prior to the Allotment date on Friday 13 April 2007, with normal settlement trading expected to commence on Tuesday 17 April 2007.

If ASX does not grant permission for New Shares to be quoted within three months after the Prospectus Date (or any longer period permitted by law), New Shares will not be issued and all Application Monies will be refunded (without interest) to Applicants as soon as practicable.

2.10 CHESS

Bravura Solutions will apply to ASX for New Shares to participate in the securities Clearing House Electronic Sub-register System known as CHESS. Under CHESS, Bravura Solutions will not issue certificates to Shareholders. After the Allotment, Applicants will receive a CHESS statement or an issuer sponsored holding statement.

CHESS statements and issuer sponsored holding statements, which are similar to bank account statements, will set out the number of New Shares allotted to successful Applicants pursuant to this Prospectus. The statement will set out the holder identification number (for Shares held on CHESS) or security holder reference number (for Shares held on the issuer sponsored sub-register).

Further CHESS statements will be provided to Shareholders which reflect any changes in the number of Shares held by them during a particular month.

2.11 Taxation

The taxation consequences of any investment in the New Shares will depend on the investor's particular circumstances. It is the responsibility of potential investors to make their own enquiries concerning the taxation consequences of an investment in Bravura Solutions. If you are in doubt as to the course you should follow, you should seek professional advice from your accountant, financial advisor, lawyer or other professional advisor. For further information in relation to the tax treatment of your investment you should seek professional advice.

2.12 Risk factors

There are risks associated with investing in Bravura Solutions that should be considered before deciding whether to apply for New Shares. The price of the Shares may fall as well as rise. A number of key risk factors that prospective Applicants should be aware of are described in section 6; some are more general risks, while others are risks specific to an investment in Bravura Solutions.

Before deciding whether to apply for New Shares, prospective Applicants should read this Prospectus carefully and in full and, in particular, should consider the risk factors that could affect the future financial performance of an investment in Bravura Solutions.

2.13 Privacy

If you apply for New Shares, Bravura Solutions and the Registry may update your personal information or collect additional personal information. Bravura Solutions and the Registry collects, holds and uses that personal information to assess your Application for New Shares, provide facilities and services to you as a Shareholder and undertake appropriate administration. Access to the information may also be provided to Bravura Solutions' agents and service providers on the basis that they deal with such information in accordance with the Privacy Act. If you do not provide the information requested, your Application may not be processed. Under the Privacy Act, you may request access to your personal information held by, or on behalf of, Bravura Solutions by the Registry, as set out in the corporate directory.

2.14 Enquiries

This document is important and requires your immediate attention. You should read the whole of this Prospectus and consider all of the risk factors that could affect the performance of Bravura Solutions and other information concerning the New Shares in light of your own particular investment objectives, financial circumstances and particular needs (including financial and taxation issues) before deciding whether or not to invest in the New Shares. Some of the risk factors that should be considered are set out in section 6.

If you have any questions or are uncertain as to whether Bravura Solutions is a suitable investment for you, you should seek advice from your stockbroker, accountant, financial adviser or other professional adviser before deciding whether to invest in Bravura Solutions.

If you have any questions in relation to the Offer, Bravura Solutions or this Prospectus please call the Bravura Solutions InfoLine on 1300 855 080 or +61 3 9415 4000 or visit www.bravurasolutions.com.

For further contact details, see the corporate directory on the inside back cover of this Prospectus.



3. Company overview

3.1 Overview

Bravura Solutions is a leading global supplier of Professional Services and Wealth Management Applications to the Wealth Management Industry.

Bravura Solutions has over 150 clients globally, with a range of corporate clients in Australia, New Zealand, Europe and Asia. Over 18 million superannuation, life insurance and investment accounts are administered on Bravura Solutions' Wealth Management Applications, with more than A\$800 billion in funds under management. Bravura Solutions' Wealth Management Applications are designed to automate and simplify information management, analysis, accounting, reporting and compliance for the Wealth Management Industry.

In addition to licensing Wealth Management Applications, Bravura Solutions also offers Professional Services including:

- Strategic consulting;
- Applications development and implementation;
- Support and training; and
- BPO partnering.

Bravura Solutions is a certified partner of Oracle, IBM, Sybase, QAS and Computer Associates. Bravura Solutions is also a Microsoft Gold Certified Partner.

The six months to December 2006 was a period of significant transformation for Bravura Solutions. Since the IPO in June 2006, the Company has rapidly grown its European presence – successfully completing the acquisitions of Rufus and AB Prodata in the UK and Luxembourg respectively in December 2006.

Bravura Solutions' underlying business has also continued to perform strongly, winning several major clients, including contracts with UK based Nucleus, Friends Provident and Cardif Pinnacle. In addition, the Company is currently in negotiations with New York Life in relation to the proposed implementation of Talisman in several Asian countries. These negotiations represent a significant opportunity for Bravura Solutions.

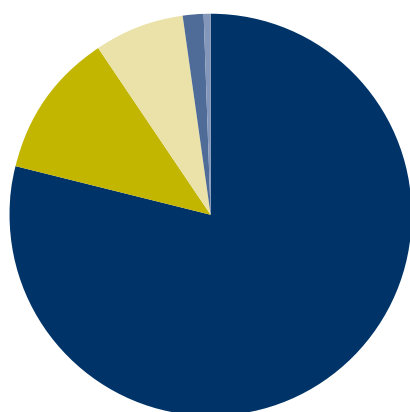
Concurrently with revenue growth, significant costs have been incurred to establish Bravura Solutions' global platform and infrastructure, including:

- The establishment of a global HR and finance system;
- Appointment of legal, HR and marketing teams in Europe;
- Opening of new offices and hiring of professional staff;
- An Increase in IT professionals to support larger contracts and implementation projects in Europe and Asia; and
- Finalising the first stage of the Sonata development.

These expenses have been necessary to establish Bravura Solutions as a major participant in both the Asia Pacific and European Wealth Management Industries, with over 150 clients managed by over 550 staff in 15 offices around the world. The majority of essential infrastructure and staff are now in place and provide a strong and stable platform to support future growth anticipated in Europe and Asia.

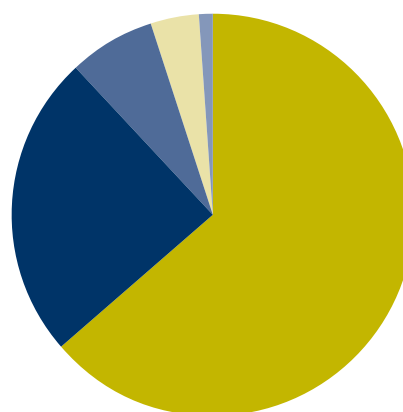
Following the recent transformation in the business, revenue in Europe and Asia is now expected to contribute over 70% of the Group's FY2007 Forecast revenue. The geographic revenue composition for FY2006 and FY2007 is set out overleaf.

FY2006 Actual Revenue



Australia	79.0%
UK and Europe	11.8%
New Zealand	7.2%
Asia	1.7%
Other	0.3%

FY2007 Forecast Revenue¹



Australia	23.9%
UK and Europe	64.7%
New Zealand	3.9%
Asia	7.2%
Other	0.3%

Note: 1. Includes seven months of revenue from Rufus and six months of revenue from AB Prodata.

The assumptions underlying the FY2007 Forecast revenue are outlined in section 5.

3.2 History

Bravura Solutions was established in December 2004 as part of a management/leveraged buy-out that acquired the corporate and superannuation business unit of CSC. The wealth management business acquired by Bravura Solutions had an extensive client portfolio and had operated for more than 20 years.

On completion of the CSC acquisition, Bravura Solutions provided back office Wealth Management Applications to 72 clients and had over 70 staff located in Melbourne, Sydney and Brisbane.

Initially, Bravura Solutions' revenues consisted primarily of Maintenance and Support fees and Professional Services fees to existing CSC clients for the use of three products: SuperB, Calibre and SAS.

Since then Bravura Solutions has significantly expanded its licensed applications and number of Professional Services staff through a combination of product development and the following strategic acquisitions:

January 2005, Syscorp acquisition

Syscorp was acquired almost immediately following Bravura Solutions' establishment and had provided wealth management and portfolio administration applications to financial institutions for over 20 years. Syscorp's principal Wealth Management Application was Complete Investment Manager (CIM), which supports a wide range of retail financial products including individually managed accounts, self managed superannuation funds, private bank and private client products.

With little duplication between the businesses, the Syscorp acquisition allowed Bravura Solutions to expand its market reach in Australia and increase its applications, expertise and client offerings.

March 2005, EB Zone application

In March 2005, Bravura Solutions acquired the intellectual property rights (excluding the US) for The IQ Business Group's 'EB Zone' front-end application for retirement and investment applications. The product was renamed 'Ensemble' to distinguish it from the equivalent US product.

The acquisition of the EB Zone application complemented Bravura Solutions' existing product range by providing a common web-linked interface across Bravura Solutions' various Wealth Management Applications.

July 2005, Tacit acquisition

On 1 July 2005, Bravura Solutions acquired the majority of the assets of the Tacit Group, a New Zealand company with offices in Auckland, Wellington, Melbourne, Manchester and Hong Kong. The Tacit acquisition expanded Bravura Solutions beyond Australia. The acquisition resulted in Bravura Solutions becoming one of the largest Wealth Management Application providers to the financial services industry in Australia and New Zealand. The Tacit acquisition added 18 new customers located in Australia, New Zealand, the UK and Hong Kong as well as 46 staff. The technology acquired included TalisTrust and TalisLife which formed the basis for the Talisman application described in section 3.7.3.

August 2005, Asian expansion

Bravura Solutions launched its Indian operations through a distribution agreement with Finpro, a subsidiary of MediAssist, a major Indian health insurance administrator based in Bangalore, to utilise and distribute Talisman, CIM and Sonata.

March 2006, Essential acquisition

The acquisition of Essential added an additional 58 staff, an established office in Adelaide and an online superannuation system to Bravura Solutions' existing Wealth Management Applications. Essential's products, technologies, people and experience complement Bravura Solutions' emerging focus on eCommerce.

December 2006, Rufus acquisition

On 4 December 2006, Bravura Solutions acquired Rufus from the Bank of New York Europe Limited (Bank of New York). See section 3.3.1 for further information.

December 2006, AB Prodata acquisition

On 8 December 2006, Bravura Solutions acquired AB Prodata in Luxembourg. See section 3.3.2 for further information.

Each of Bravura Solutions' acquisitions has enabled it to expand its Wealth Management Applications and Professional Services capabilities. The acquisitions have opened new markets and expanded Bravura Solutions' client base, as well as providing new technologies which can be offered to existing clients. All acquisitions have resulted in Bravura Solutions adding a marketable product or service which has increased revenue. Industry sectors now supported by Bravura Solutions' applications and the source of Wealth Management Applications are summarised in the table below:

Product name	Acquisition source	Product lifecycle ²	Retail super & pension	Group super & pension	Insurance	Invest	Portfolio mgmt	eCom	Transfer agency	STP
TalisTrust	Tacit	Growth	✓			✓				
TalisLife	Tacit	Growth			✓					
TalisPensions	Internal	Introduction	✓							
eTalis	Tacit	Merge/Growth						✓		
SuperB	CSC	Maturity		✓						
Calibre	CSC	Decline	✓			✓				
SAS	CSC	Maturity	✓							
CIM	Syscorp	Merge/Growth					✓			
Sonata ¹	Internal	Introduction	✓	✓	✓	✓	✓	✓		
Ensemble	IQ	Decline						✓		
Ensemble 5	Internal	Introduction						✓		
ePASS	Essential	Merge/Growth						✓		
Rufus GTA	Rufus	Growth							✓	
Babel Integrator	AB Prodata	Growth								✓

Notes:

1. Sonata is currently under development and it is expected the investment retail super and pension modules of Sonata will be fully functional during calendar year 2008. CIM, the portfolio management function is expected to be incorporated into Sonata in 2009.

2. Product lifecycle descriptions:

Introduction: sales relatively low while customers become aware of the product's features and benefits. Growth: period of expected rapid revenue growth as sales increase as customers are aware of the product benefits. Maturity: most profitable stage; sales increase at a gradual pace, market and sales costs reduced due to high product awareness. Decline: sales are declining or are beginning to decline due to technical obsolescence. Merge/Growth: it is proposed Ensemble and eTalis will be merged into a single eCommerce and web based product which can be used across any Bravura Solutions or third party application.

Bravura Solutions is now in the process of streamlining its existing suite of Wealth Management Applications into four key products – Talisman, Sonata, Rufus and Babel Integrator. A description of each product is set out in section 3.7.

3.3 Acquisitions overview

Since the IPO, Bravura Solutions has completed the following two acquisitions:

- Rufus in the UK; and
- AB Prodata in Luxembourg.

Both acquisitions are consistent with Bravura Solutions' stated business objectives and growth strategy (as set out in section 3.14). A summary of each acquisition is set out below and additional details of the software and business acquired are set out in section 3.7 of this Prospectus.

3.3.1 Rufus

3.3.1.1 Acquisition overview

On 4 December 2006, Bravura Solutions acquired Rufus from Bank of New York for a maximum of £32 million (approximately \$79 million).

An initial payment of £19.2 million was paid on 4 December 2006, with the remaining £12.8 million payable in two annual tranches beginning on 1 January 2008, subject to specified earn out thresholds. Royalty payments are payable for a maximum of three years on corporate transactions generated in connection with the Bank of New York's retail transfer agency business and on certain new business contracts.

The initial purchase price was sourced from funds raised in the IPO and a drawdown under the Acquisition Facility.

3.3.1.2 Rufus GTA and Rufus business

Rufus GTA is a proven comprehensive application to support retail and institutional transfer agency administration. As a transfer agency system, Rufus tracks the accounts of investments in mutual funds, packaged equities and cash. It is fully multi-currency and multi-lingual, with integrated foreign exchange processing.

Designed as a global platform, Rufus GTA currently supports 83 financial services firms across the UK, Luxembourg, Ireland and Channel Island Domiciles. The Bank of New York remains a strategic partner of Bravura Solutions and continues to be the largest user of Rufus GTA, supporting a significant number of clients under a Master Licence and Services Agreement. Details of the arrangement with Bank of New York under the Master Licence and Services Agreement are set out in section 8.5.1.

The remaining clients not administered by the Bank of New York, include Scottish Widows, Abbey National and Societe Generale. These organisations operate their own transfer agency business using Rufus GTA licensed directly from Bravura Solutions.

In addition to developing and licensing Rufus GTA, Bravura Solutions offers clients a facilities management service whereby Bravura Solutions hosts and maintains client server equipment and data within Bravura Solutions computing centres (currently based in London and Milton Keynes). Clients undertake their own retail fund transfer agency administration and business operations at their own offices, connecting to Bravura Solutions via dedicated telecommunications links. Further details on Rufus are contained in section 3.7.5.

3.3.1.3 Integration

Phase 1 of the integration is nearly complete, with Rufus now integrated into Bravura Solutions operations. Phase 1 has involved transferring over 211 members of staff, novating or assigning all customer contracts but one, and putting in place a secure information technology infrastructure. During this time, Bravura Solutions has also built a team to support the European business including recruiting nine staff in finance, human resource, marketing and legal positions.

Phase 2 of the integration will encompass the following:

- AB Prodata integration into Bravura Solutions and Rufus, which is expected to be completed by March 2007;
- Physical relocation from the Bank of New York's premises to new office space in London and Edinburgh (expected to be complete by June 2007); and
- Outsourcing the existing facilities management server farm (expected to be complete by December 2007).

3.3.1.4 Benefits of the acquisition and opportunities

The acquisition of Rufus was a significant step in implementing Bravura Solutions' geographic expansion strategy and has enabled Bravura Solutions to establish a significant platform in Europe. Key benefits of the acquisition include access to new financial services clients, the provision of skilled and experienced staff and functionally rich transfer agency software.

In addition to cross selling Talisman and Sonata to Rufus clients, Bravura Solutions sees significant scope for improving Rufus' market share. In particular a number of financial services providers who may have been unwilling to licence Rufus from the Bank of New York due to competitor concerns are now able to purchase Rufus under independent ownership.

In contrast to the UK, the European market is evolving rapidly and Bravura Solutions sees significant scope for growth. Europe is currently characterised by multiple market practices, currencies, tax jurisdictions, varying degrees of regulation, widely differing technical standards and no central infrastructure provider. Each European country has adopted different practices and technology for administrative functions such as account opening and registration, settlement and trading mechanics. Funds are valued at different times using different methods, making cross border comparison difficult. In addition, the number, variety and size of the distribution participants has hampered the development of a single automation standard, with individual bank oriented architecture prevalent amongst distributors. As a result, cross border transactions and settlement are dominated by individual banks and are still paper based, manually intensive and costly.

As European regulators move away from government run pension schemes, recent reforms have sought to allow investors to buy a greater diversity of funds over various distribution channels in different countries. There is a growing need for cross border transfer agency systems with robust, complex functionality that can support cross border transactions. Rufus is well positioned to meet the growing requirements with rich pan-European and Straight Through Processing (STP) enabled functionality for cross border UK and European transactions.

Rufus also has potential application on a global scale. With few exceptions, the global fund market is supported by single country legacy mainframe systems, with the majority of modern multi-domain transfer agency systems supporting only small scale businesses. Rufus can be rapidly expanded with additional enhancements into a global transfer agency platform. It is also expected that opportunities will exist to roll out Rufus across Asia to meet the growing needs of Wealth Management Industry clients in Asian countries.

3.3.2 AB Prodata

3.3.2.1 Acquisition overview

On 8 December 2006 Bravura Solutions acquired AB Prodata, a Luxembourg incorporated provider of software to financial institutions for the automation of investment funds processing and reporting.

The acquisition terms were an initial upfront payment of €4 million (approximately \$6.7 million) paid on 8 December 2006, with a deferred consideration and earn out of a maximum of €4 million (subject to specified earn out thresholds over three annual earn out periods commencing 1 January 2008). The initial payment for AB Prodata was funded through a drawdown under the Working Capital Facility and funds raised in the IPO.

The acquisition resulted in an additional 16 employees joining Bravura Solutions and an established office in Luxembourg.

3.3.2.2 AB Prodata business and software

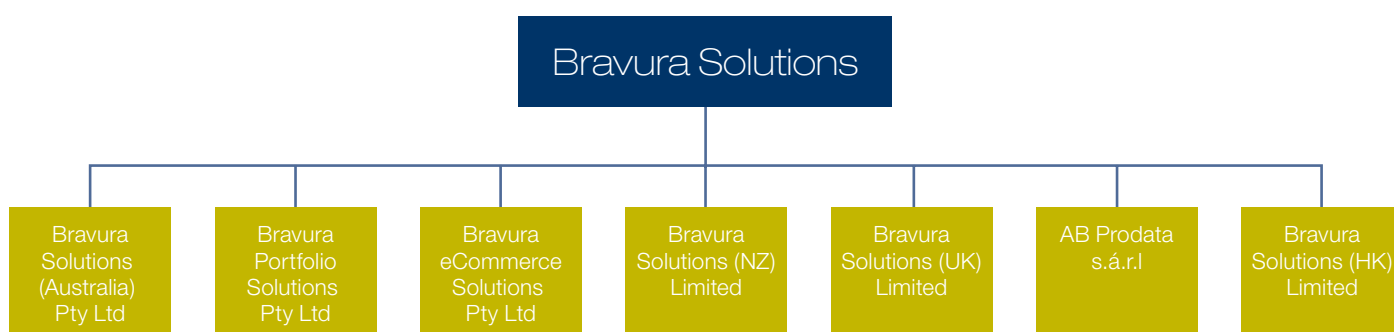
AB Prodata was founded in 1992 as a provider in the automated financial messaging market. Its flagship product, Babel Integrator, comprises an extensive set of modules to manage various financial transactions (e.g. orders management, custody, statements, reconciliation, settlement and payments), external connections to particular markets and platforms (e.g. Allfunds Bank, Clearstream, EXM, Euroclear, and NSCC), and specific message protocols (e.g. FIX and all SWIFT standards). Further details on the Babel Integrator product are set out in section 3.7.6.

AB Prodata clients include major financial institutions such as Citigroup, the Bank of New York and Franklin Templeton Investments.

Babel Integrator is complementary to the Rufus transfer agency business and has been utilised as the financial messaging module in Rufus GTA for over three years. As the European market continues to grow and evolve, management believes there will be a growing need for an integrated electronic market which will allow for greater trading volumes, process transparency, lower error rates, lower risk and settlement times and ultimately decreased cost. In the absence of a single automation standard, Babel Integrator is already well positioned in the market. Bravura Solutions sees significant scope to cross sell Babel Integrator to new and existing clients currently using Rufus, Talisman and Sonata software products.

3.4 Corporate structure

Bravura Solutions' current corporate structure showing the key operating entities is set out in the diagram below.

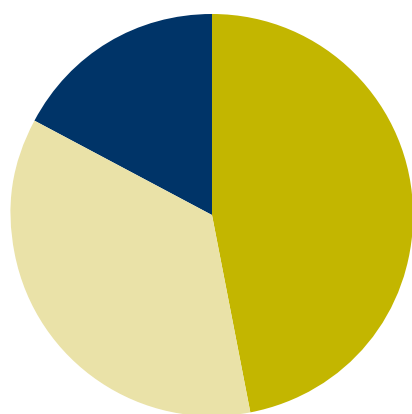


3.5 Revenue composition

Bravura Solutions' revenue is principally derived from Maintenance and Support fees, New Licence fees and Professional Services fees.

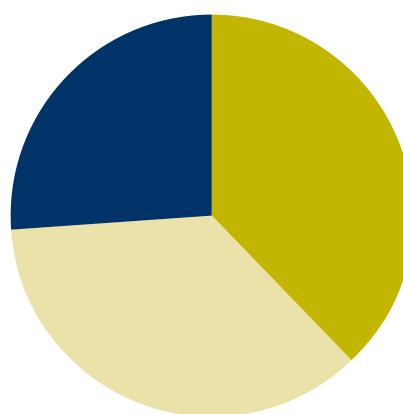
The revenue composition for FY2006 and FY2007 is set out below.

FY2006 Actual Revenue



- Professional Services 47%
- Maintenance and Support 36%
- New Licence fees and other 17%

FY2007 Forecast Revenue¹



- Professional Services 38%
- Maintenance and Support 36%
- New Licence fees and other 26%

Note: 1. The assumptions underlying the FY2007 forecast revenue are outlined in section 5.

3.6 Services

3.6.1 Professional Services

Professional Services fees are charged for a range of technical services that Bravura Solutions offers its clients. These include:

Strategic consulting	A team of specialist consultants work with clients to provide expert consulting across Bravura Solutions' applications and third party applications.
Applications development	<p>A highly skilled software engineering team specialise in application development and systems integration, to provide tailored Wealth Management Applications to meet individual client needs.</p> <p>Software developers provide expertise in all phases of the application development lifecycle, including business case development, requirements modelling, specification design, development and testing.</p>
Implementation	Project managers work closely with clients to help to ensure the successful implementation of Bravura Solutions' Wealth Management Applications.
Support	Bravura Solutions provides helpdesk support to clients in accordance with its time, material and maintenance based charge-out rates.
Training	As part of standard implementation, Bravura Solutions provides on-site training for users across all aspects of Bravura Solutions' Wealth Management Applications. Bravura Solutions also provides customised group or individual training.
BPO partnering	Bravura Solutions also partners with business process outsource providers, transfer agencies and technology partners to support outsourced Wealth Management Applications.

3.6.2 Maintenance and Support

Following the installation of a Bravura Solutions application, Bravura Solutions levies a fee for ongoing maintenance services. Maintenance services are typically delivered under minimum fixed term or one year renewable contracts and are usually either a percentage of initial licence fees, based on account/policy counts, or a fixed fee dependent upon the client's business needs and objectives. The maintenance fee covers all or some of the following services:

Help desk support	Clients lodge issues with the help desk maintained by Bravura Solutions. Resulting actions are performed in line with service level agreements. Any subsequent enhancements to a Wealth Management Application or additional training required for a client constitute Professional Services and are charged separately.
Service delivery manager	Service delivery managers work with clients on a day-to-day operational level. This role includes managing the assignment of development tasks and support requests from clients. Service delivery managers act as the first level escalation point for any enhancements to Wealth Management Applications.
New/change in legislation	<p>Bravura Solutions employs a full-time legislative analyst who is responsible for monitoring all Australian regulatory issues which affect Wealth Management Applications and clients.</p> <p>Initially, the legislative analyst identifies relevant issues, liaises with the ATO, ASFA, APRA, IFSA, ASIC, industry contacts and (where relevant) the client's own legislative analysts and provides detailed analysis of the impact of regulations on Bravura Solutions' Wealth Management Applications and clients. Where applicable, the legislative analyst works with Bravura Solutions' product specialists to implement appropriate changes to Wealth Management Applications. A similar process is followed when Bravura Solutions is incorporating legislative changes within its software in other jurisdictions in which Bravura Solutions operates.</p>
Upgrades	Bravura Solutions provides helpdesk support to clients in accordance with its time, material and maintenance based charge-out rates.

3.6.3 Rufus server management business

Bravura Solutions offer clients a facilities management service whereby Bravura Solutions hosts and maintains client server equipment and data within Bravura Solutions' computing centres (currently based in London and Milton Keynes). Services provided include first second and third line support, end of day operations, database administration and access control functions.

3.7 Wealth Management Applications

3.7.1 Licences

Licence fees are charged by Bravura Solutions for the use of a Wealth Management Application, typically for a period of between three and five years. Licence fees are normally levied in two parts, with a proportion of the fee payable on signing of a licence agreement, and the balance payable upon achieving milestones through the implementation process.

Bravura Solutions does not charge a uniform fee for licences. Licence fees vary between clients depending on the Wealth Management Application licensed, features offered, number of customers, size of the client, timing of installation and the general nature of the licence transaction.

3.7.2 eCommerce solutions

Bravura Solutions offers an eCommerce application suite that consists of four products: Ensemble, eTalis, ePASS and Ensemble 5.

Ensemble	Ensemble is an online service delivery solution that provides flexibility to allow disparate record keeping systems to be brought together under one application. It has a customer-centric rather than a transaction-centric approach and is designed to integrate with a variety of back-end administration systems. In addition, Ensemble offers online real time access to a data source, a highly configurable user friendly web front end, and STP which allows for the management and flow of transactions.
ePASS	ePASS provides a comprehensive range of online services for requesting or delivering superannuation solutions over the internet. It has a customer-centric rather than a transaction-centric approach, and is designed to integrate with a variety of back-end administration systems.
eTalis	eTalis is an online delivery solution tailored to the Talisman suite of products.
Ensemble 5	Bravura Solutions is currently enhancing the existing eCommerce suite of products to support the administration and servicing of UK wrap platform investors. Ensemble 5 is, in the first instance, being developed with assistance from the Ensemble 5 foundation partner, Friends Provident. It is expected that this product will have additional sales to wrap platform providers in the future.

3.7.3 Talisman



Talisman is a solution for the administration of personal retirement savings, investment and risk products. The range of products that can now be administered on Talisman comprise of unit trusts, wraps, cash management funds (including cash account functionality), personal superannuation, defined contribution employer superannuation, allocated and term allocated pensions, master trusts and insurance (life, total and permanent disablement, crisis care/trauma and income protection).

It is best suited to boutique and mid-tier organisations that require a simple Wealth Management Application that can be configured and updated easily. Talisman runs off a Sybase database and enables participants in the Wealth Management Industry to administer wrap platforms, master trusts, retail and wholesale unit trusts and retirement products (such as superannuation, pensions, annuities and provident funds).

Talisman is being designed to comply with the Portfolio Investment Entity and KiwiSaver legislative changes expected to be implemented in New Zealand in July and October 2007 respectively. In addition, a number of UK wealth management products, such as individual savings accounts, personal equity plans, unit trusts, open ended investment companies and self invested personal pensions can also be administered through Talisman.

As a client server platform, Talisman delivers a single integrated solution with three modules.

TalisPensions	TalisPensions is used to administer retirement savings and pension accounts, including personal superannuation and pensions (not in drawdown), allocated pensions, term allocated pensions and complying pensions.
TalisTrust	TalisTrust is used by investment managers, banks and product administrators to administer client holdings in Australasia and the UK. TalisTrust is available as an off the shelf solution that is already configured to support many variations without customisation or alternatively as a specifically customised solution where increased sophistication is required.
TalisLife	TalisLife is a flexible application for the administration of life insurance products. It deals with all aspects of the policy management lifecycle from new business capture, underwriting and policy servicing to claims processing.

All clients that purchase one or all of TalisPensions, TalisTrust or TalisLife typically also use TalisFlow, an underlying workflow management application and TalisMart, a specialised data warehouse.

3.7.4 Sonata



Bravura Solutions is currently undertaking a major R&D program to engineer Sonata as the next generation of its wealth management solutions. Sonata will be an enterprise-wide Wealth Management Application that enables the administration of retirement savings, investment, portfolio management and risk products (insurance). Sonata will be a consolidation of a number of Bravura Solutions' current applications into a single comprehensive and modern Wealth Management Application.

Sonata will be a cross platform Wealth Management Application consisting of four separate modules; Sonata SuperB, Sonata Wrap, Sonata Portfolio and Sonata Risk. The system will support multiple back-end databases and multiple application servers. End users log into the system through either a web browser or a desktop user interface.

Sonata will be best suited to large enterprises and is designed to address key issues faced by the Wealth Management Industry today, such as scalability, integration, global access and customisation.

Sonata is expected to lower the cost of administrating wealth management products and to enable improved customer service through:

- Having a single record of a customer across many products that facilitates consolidated reporting and ease of servicing (for example, a change of a client's address will only need to be entered on the system once);
- Saving on internal training costs by having a single application;
- Using web services designed to improve the ease of the integration of Sonata with existing applications used by Industry Participants;
- Providing a fully integrated portfolio management, share and investment management account capability; and
- Written in modern programming language which will make enhancements and further development easier and more cost effective for clients.

A key advantage of Sonata is its service oriented architecture which will allow business functions and services to be linked, not only to internal departments but to supplier and trading partners through business to business capabilities.

While designed as an end-to-end platform, a key feature of Sonata will be the ability for clients to licence only those modules they require. Clients may choose to enable one or two of the modules initially and integrate further modules at a future date as their business changes.

The separate modules that will be available under Sonata are summarised below:

Sonata SuperB	<p>Bravura Solutions' existing SuperB application was acquired as part of the CSC acquisition. SuperB is currently Australia's most established superannuation/pension administration system, with tens of thousands of plans and over four million members under administration. It has been developed for the needs of defined benefit, defined contribution, third-party record keepers, government agencies and provident fund managers.</p> <p>Bravura Solutions intends to undertake a R&D program to upgrade SuperB and bring it within the suite of Sonata applications. The newly developed Sonata SuperB will allow clients to easily define structures that meet their administrative, financial and reporting requirements. It will be able to adapt to most business needs and configure a wide range of rules without the need for expensive and time consuming programming changes.</p>
Sonata Wrap	<p>Sonata Wrap will be a solution for administrators and providers of wrap, master trusts, unit trusts, personal superannuation and pensions and other retail products.</p> <p>Sonata Wrap will have an integrated workflow capability that supports full process automation of all activities. These activities can be embedded in workflows allowing maintenance of high service levels, as well as detailed analysis of processing cost down to a transaction level.</p>
Sonata Portfolio	<p>Sonata Portfolio will be a solution for the creation, distribution and administration of retail and wholesale financial products.</p> <p>Sonata Portfolio will include decision support, flexible portfolio modelling, rebalancing, pre and post-trade compliance, order management, investment accounting, settlement and reconciliation functionality.</p> <p>Sonata Portfolio will support independently managed accounts, separately managed accounts, managed discretionary accounts, custody, fund accounting, self managed superannuation funds, private bank and private client products, lending and trust and estate administration.</p>
Sonata Risk	<p>Sonata Risk will be a solution used to administer risk products including death, total and permanent disability insurance, trauma, salary continuance, term insurance, unit-linked policies including whole of life and endowment, disability insurance, income protection policies (including redundancy), mortgage insurance, critical and terminal illness and some health care insurance.</p> <p>Sonata Risk will enable efficient, secure and cost effective management of individual risk policies and group life plans throughout their cycle. Processes covered will include everything from underwriting and acceptance of new business through to claims administration.</p>

3.7.5 Rufus GTA

Rufus GTA is a suite of applications designed and built specifically to provide highly efficient transfer agency administration of collective investment instruments throughout Europe. The system is fully multi-currency, with automated foreign exchange processing, and multi-lingual. It is currently in operation in the UK, Ireland and Luxembourg on both a third party administration (services provided by third party) and licence basis.

Rufus GTA supports the administration of the following asset and product types:

- Unit trusts;
- Investment companies with variable capital;
- Money market funds;
- Cash;

- Equities;
- Investment trusts;
- Simple unitised life assets;
- French unit trusts;
- Individual savings accounts; and
- Personal equity plans.

In addition, the system supports open architecture products such as fund supermarkets. A single version of Rufus GTA source code exists for all clients, however different functionality and options are enabled and disabled through the use of configuration switches and user-definable parameters.

Benefits of this system include ease of use, flexibility, products supported, integration with other systems, functionality and scalability.

The Rufus GTA components include:

The European workstation	Designed for call and service centres, administration teams, distributors and advisors. It incorporates the time-saving attributes of a modern software application, works in any language and supports data secrecy rules enabling wide deployment.
Rufus core	Provides all the user functionality required to set up and run a collective investment scheme including flexible terms of business definitions, as well as the core activities supporting distribution and statement processing.
Image and workflow technology	Is an advanced image capture and workflow engine. It is a rules based, flexible system, providing work control and a real-time management information system.
Currency management service	Handles foreign exchange requirements.
Global transaction server interface	Allows organisations to incorporate Rufus GTA business logic into their own applications and enquire and update the Rufus database in real-time.
Output management	Facilitates fast and accurate document composition using Rufus data, external data or a combination of both.
Messaging services	Highly flexible messaging exchange maximising straight through processing with SWIFT, EMX, Fundsettle and Vestima.
Deal aggregation sub-system	Supports Fund Supermarkets by providing full deal aggregation and reporting facilities enable sales of other managers' funds and products, whilst retaining consolidated statements of investors' holdings.
Management information systems	Gives managing companies real-time access on-demand to their data for the purpose of producing management information, statistical enquiries and data extracts on demand.

3.7.6 Babel Integrator

Babel Integrator is an application which is used to communicate between buy and sell side institutions, infrastructure platforms and directly between counterparties. Buy side institutions include fund supermarkets and other 'concentrators', banks, retail investors, independent financial advisers and pension administrators. Sell side institutions include fund companies and third party administrators.

Babel Integrator allows institutions to link their in-house platforms in whatever manner the market requires to effect automated communication with third parties, using virtually any message medium or format. The product provides institutions with protection from divergent message standards and business processes, and provides flexibility to adapt to a counterparty's way of doing business.

Babel Integrator comprises an extensive set of modules to manage different messages and transactions (e.g. order management, custody, statements, reconciliation, settlement and payments), external connectivity to particular markets and platforms (e.g. Allfunds Bank, Clearstream, EMX, Euroclear and NSCC), as well as specific message protocols (e.g. FIX and all SWIFT standards).

Bravura Solutions offers the choice of two deployment models, with Babel Integrator running either as a software package at the client site, or as a fully hosted, regulator compliant, remote access service from a secure and accredited data centre. The hosted offering is currently in the pilot phase, enabling a buy-side client to automatically connect cross-border to the UK market. The hosted deployment model is attractive from an operational and financial perspective as it spreads the cost of ownership and aligns fees with a clients own revenue streams. Due to the demand for this hosted messaging service Bravura Solutions intends to offer it to all clients.

3.8 R&D and development update

The development of new and enhanced Wealth Management Applications is essential for Bravura Solutions to maintain its competitive advantage. Bravura Solutions' R&D engineers work closely with the product marketing and client support teams to ensure product evolution reflects developments in the market and client requirements.

Bravura Solutions retains intellectual property rights for all client funded development work enabling those developments to be added to the base product offering or to form upgrades to licence to clients.

All non-client funded application development work is categorised as R&D and expensed as it is incurred.

3.8.1 Sonata

Bravura Solutions continues to work closely with its foundation clients on the development of Sonata. The combined commitment from the foundation clients is a significant endorsement of the Sonata application and Bravura Solutions' technology strategy. In addition to these initial clients, Bravura Solutions is currently negotiating with a number of other major global financial institutions to replace their existing Wealth Management Applications with one or more of the Sonata modules.

At the time of the IPO, the development of the Sonata Wrap module was expected to be fully operational by October 2006. However, at the request of the foundation clients, it has been agreed to extend the size and scope of Sonata Wrap to meet the requirements of the foundation clients and include additional functionality not originally contemplated.

The Sonata R&D program successfully completed the first major milestone in Q4 2006, the transformation of the Talisman code base to the Java based Service Oriented Architecture. In completing this stage Bravura Solutions has removed the largest risk attributed to the program and now has a stable code base and repeatable transformation process.

The Sonata R&D program is now at stage two. This involves assembling each module, building the system interfaces and completing various rounds of software quality assurance and performance benchmarking. In January 2007 the trial version was released for testing and to assess the usability of the system. These tests were positive, validating the architectural blueprint and confirming technology leadership.

The program is now focusing on production, with the first release of Sonata and Ensemble 5 scheduled for Q3 2007.

In total, Bravura Solutions anticipates R&D costs for the development of Sonata Wrap, Sonata Risk and Sonata SuperB modules to be approximately \$11.6 million, of which \$6.8 million had been incurred as at 31 December 2006. The assumptions underlying these forecasts are outlined in section 5. Further R&D development costs may be incurred if the foundation clients request additional enhancements to the scale and scope of Sonata.

3.8.2 Talisman

Bravura Solutions is also finalising the development of Talisman 3.4, which is being designed to comply with the Portfolio Investment Entity and KiwiSaver legislative changes expected to be implemented in New Zealand in July and October 2007 respectively. Bravura Solutions is working closely with New Zealand clients, as well as the New Zealand Inland Revenue Department, to ensure the platform complies with the emerging requirements.

Future Talisman versions are expected to include updates resulting from the May 2006 budget Australian superannuation and pension legislative changes, enhanced multi-currency capability, enhanced investment profile support, enhanced security, as well as an automated interfunding solution.

Bravura Solutions has also embarked on an R&D program to add to the Talisman client server architecture through the addition of a Java-based service oriented architecture. This upgrade is expected to satisfy the immediate needs of clients while expanding the suite of applications available for boutique and mid sized enterprises in the future.

Talisman version 3.5 will be the first commercial offering benefiting from the Sonata architecture and is expected to be completed by the end of March 2007. R&D costs associated with this are expected to be \$2.7 million of which \$1.4 million had been incurred as at 31 December 2006.

The assumptions underlying these forecasts are outlined in section 5.

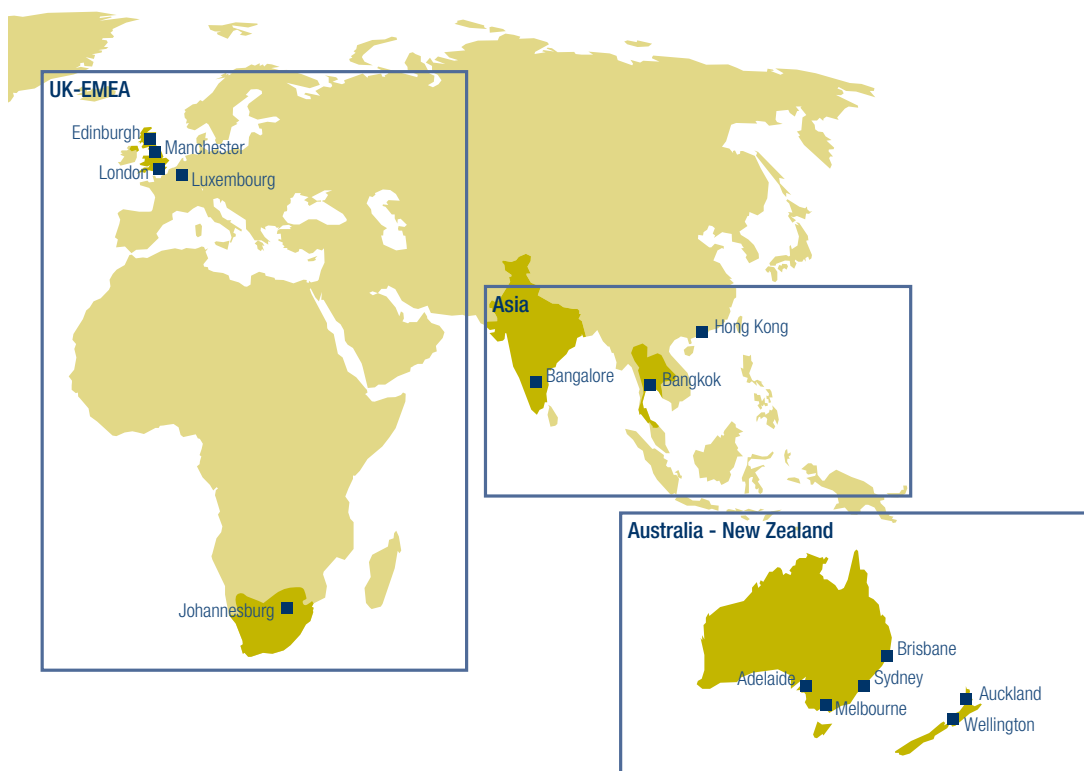
3.9 Proprietary rights

As part of Bravura Solutions trademark registration strategy, Bravura Solutions has lodged (or is in the process of lodging in jurisdictions where business has only recently commenced or is due to commence in the near future) applications to protect key trademarks internationally with a focus on Australia, Europe, the US and Asia. While applications to protect all key trademarks have been lodged, or are in the process of being lodged, in Australia and in those jurisdictions in which Bravura Solutions carries on business, due to the time taken for trademark registration to be completed, there are trademarks registrations still pending.

Bravura Solutions also enters into confidentiality agreements under employment contracts and licence agreements with employees (as part of the terms and conditions of their employment) and clients respectively. Bravura Solutions believes that factors such as the technological expertise of its employees, new product development, frequent product enhancements and reliable service and support are substantially responsible for Bravura Solutions establishing and maintaining market share and substantial earnings.

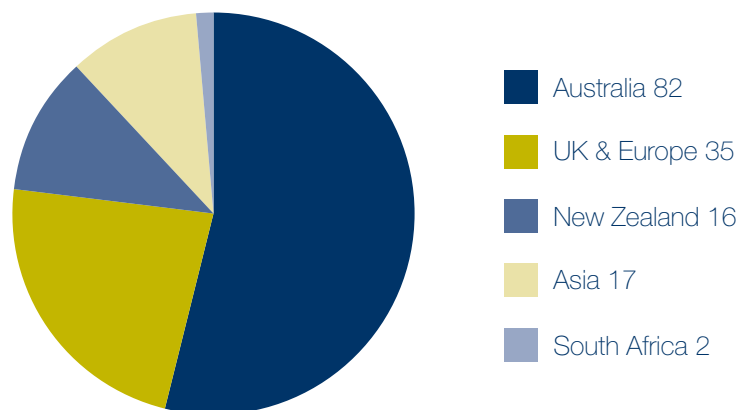
3.10 Clients

Bravura Solutions provides applications and support to more than 150 financial institutions globally, with a range of major corporate clients in Australia, New Zealand, Europe, Asia and South Africa. Bravura Solutions' offices are set out below:



A selection of Bravura Solutions' clients in each key market is set out in the chart below:

Clients



Australia	Aon Consulting, Colonial, AXA, CBA, ING, Mercer, National Group, Next Financial, Perpetual, State Super Financial, Services, Statewide, Superpartners.
Asia	China Life, Dah Sing, Mercer, Sunlife Canada, New York Life.
New Zealand	AMP, ASB, National Bank of New Zealand, ING, Tower, Westpac.
UK and Europe	Bank of New York, Lutine, MGM Assurance, Nordea, Pioneer Friendly, Scottish Friendly Assurance, Scottish Widows, Cardif Pinnacle, Societe Generale, Abbey National, MLC Savings, Old Mutual, Legal & General, Friends Provident.
South Africa	ABSA.

3.11 Employees

Bravura Solutions currently employs over 550 employees and annual staff turnover was around 6% for FY2006, which is well below that of comparable companies.

Attracting and retaining appropriately qualified and skilled employees is important to Bravura Solutions' success. Bravura Solutions' ability to continue to deliver its solutions and services depends on its employees' expert level of competence across a range of disciplines including financial theory and IT. Bravura Solutions' consultants have a broad range of experience in the financial services industry including; finance industry expert business analysts, software engineers, and professionals from the asset management, investment, insurance and banking industries.

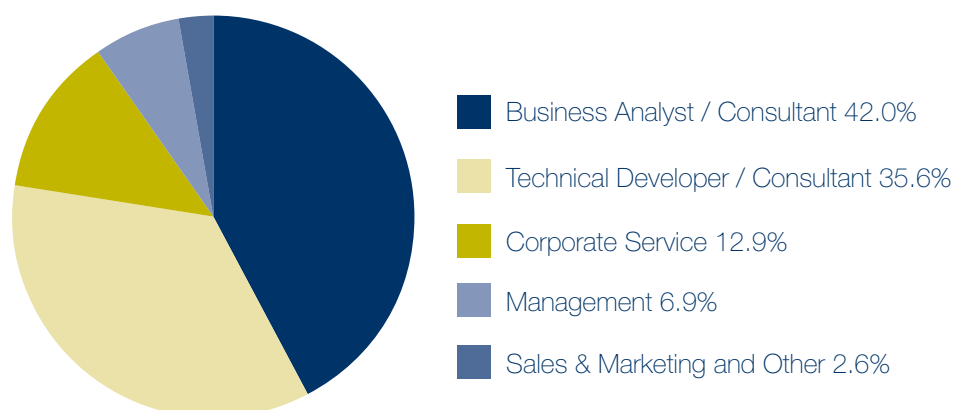
Historically, corporate functions such as finance, accounting, information technology support, human resource, marketing and legal have all been performed out of the Sydney head office with each regional office providing applications development and Professional Services to clients through analysts, programmers, client relationship consultants and managers. Since the acquisition of Rufus in December 2006 and the increased focus on Europe, Bravura Solutions has appointed a number of administrative and corporate staff in Europe. Details of staff numbers are set out in the table following:

Location	Staff at IPO	New staff (as at February 2007)	Region Total
Australia	196	18	214
New Zealand	31	35	66
Asia	0	12	12
UK	19	23	42
Rufus acquisition	n/a	211	211
AB Prodata acquisition	n/a	16	16
Total	246	315	561

Note: As at February 2007.

A breakdown of employees by location and function is illustrated below:

Employees by function (as at February 2007)



3.12 Sales and marketing

Bravura Solutions applies a direct sales model in all markets in which it operates, in order to take advantage of its growing industry recognition and existing client relationships. Bravura Solutions undertakes a number of marketing activities including attending conferences and trade shows, trade publication advertising, running client user groups and client events.

In particular, the Rufus user group which is held in November is extremely popular, with over 100 people attending representing 83 users of Rufus software from all across Europe.

Bravura Solutions also sponsors a number of charities including the Starlight Children's Foundation, Sydney Children's Hospital Randwick, the Humpty Dumpty Foundation, the Inspire Foundation and the Wayside Chapel.

Bravura Solutions is a member of the Association of Superannuation Funds of Australia Ltd (ASFA) and sponsors the Investment and Financial Services Association (IFSA) Conference annually, the Investment & Technology Conference, Platform Evolution in the UK Conference, Funds Forum Asia, Funds Forum Monaco, Funds Forum Middle East and the Transfer Agency Forum.

3.13 Bravura Solutions' key strengths

Strong market position and established client relationships

- Bravura Solutions is one of the largest Wealth Management Application providers in Asia Pacific (based on number of customers, number of accounts and assets under administration) with over 18 million superannuation, life insurance and investment accounts administered on Bravura Solutions' Wealth Management Applications, and more than A\$800 billion in funds under management.
- During calendar year 2007, Bravura Solutions will have established profitable operations in the key growth markets of Europe and Asia.
- Bravura Solutions is well positioned to take advantage of changes to the Wealth Management Industry in Europe and Asia with the ability to offer proven Wealth Management Applications to Industry Participants in those markets.

Scale advantages

- With a large customer base, Bravura Solutions has a significant cost advantage over in-house Wealth Management Applications. Bravura Solutions is able to leverage its scale advantages by allowing the cost of R&D application development and maintenance to be spread over its many clients.

Products and functionality

- Bravura Solutions' Wealth Management Applications have a track record of success, with Bravura Solutions being one of the few external providers of Wealth Management Applications which support the majority of Australian, New Zealand and European categories of wealth management products.
- Bravura Solutions' Wealth Management Applications are rapidly deployable and designed to meet the demands of the constantly changing industry and regulatory requirements in each of the geographic regions in which Bravura Solutions operates.
- Bravura Solutions' Wealth Management Applications offer a range of delivery methods, with modules allowing clients to take advantage of the technology in the manner best suited to their individual needs.
- Bravura Solutions offers integrated systems covering a broad range of wealth management products. This has the effect of lowering the total cost of ownership through an integrated platform.

Risk management

- Bravura Solutions' Wealth Management Applications offer a modern user interface which reduces training costs for the client.
- Bravura Solutions has extensive experience in the Wealth Management Industry and in-depth knowledge of retirement savings, pensions, investments and life insurance in Australia, New Zealand, Europe and Asia.
- Bravura Solutions provides Wealth Management Applications in Australia which comply with the applicable APRA regulatory guidelines.
- Bravura Solutions Wealth Management Applications are integrated and wholly configurable with strong reporting and in-built financial and compliance controls.
- Bravura Solutions employs highly skilled and experienced staff who provide comprehensive technical and Professional Services.
- The risks associated with the Offer and any investment in Bravura Solutions are set out in section 6, which Eligible Shareholders should read carefully before making a decision in relation to their Entitlement.

3.14 Business objectives and growth strategy

Bravura Solutions' vision is to be a leading supplier of Wealth Management Applications outside of the US.

Bravura Solutions has developed a clear strategy to continue its track record of strong growth incorporating:

- Seeking acquisition opportunities that are consistent with its vision;
- Understanding the needs of its client base and providing superior service;
- Investing in the development of new technology and providing superior services to leverage greater competitive advantages;

- Providing a complete Wealth Management Application solution, significantly lowering the total cost of ownership for Wealth Management Industry participants; and
- Growing the business organically and by acquisition in Australia, New Zealand, Europe and Asia.

Bravura Solutions believes that a key element of this approach is to focus on a client's lifetime value to the business, not the value of a single transaction. Bravura Solutions aims to focus on building customer loyalty and relationships over the long term, with less emphasis on initial costs and licence fees and a greater focus on the recurring maintenance revenues and Professional Services.

3.14.1 Geographic expansion

Bravura Solutions will continue to seek acquisition opportunities in Australia, Europe and Asia that are consistent with its vision and objectives and provide at least two of the following:

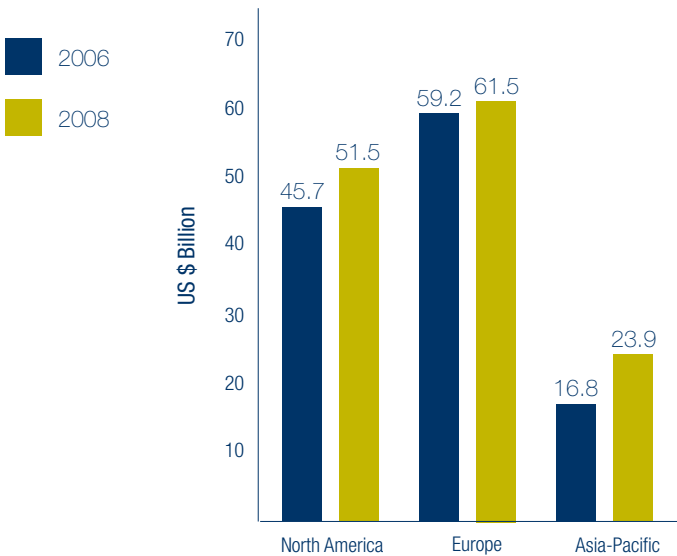
- Access to new financial services clients;
- Applications that allow Bravura Solutions to improve its applications in line with changing client needs; and
- Skilled and experienced staff.

3.14.2 Growth in key markets

Bravura Solutions believes there will continue to be growth in spending by financial services organisations. According to Celent, financial services firms in North America, Europe and Asia are expected to increase spending on external software and external IT services to US\$136 billion in 2008, a compound annual growth rate of 6.0% since 2006. According to Celent, among all regions, the fastest growth will be seen in financial institutions in Asia Pacific, with external IT spending increasing at a compound annual rate of 19.3% from 2006 to 2008.

Celent, IT spending trends

A global financial services review, November 2006



3.14.2.1 Australia

Bravura Solutions' management expect key drivers of growth in spending by Industry Participants on Wealth Management Applications in Australia will be generated from:

- Upgrading and replacing existing Wealth Management Applications to add the latest functionality and services, including changes to Wealth Management Applications driven by legislative changes (and upgrades to support new wealth management products). For example, the Superannuation Legislation Amendment (Choice of Superannuation Funds) Act 2004 (Cth) (Choice Legislation), which came into effect on 1 July 2005 is expected to drive Industry Participants to consolidate and upgrade Wealth Management Applications. Similarly, proposed changes to the superannuation system, known as 'super simplification', announced in the 2006 Federal Budget may require some Industry Participants to upgrade their Wealth Management Applications, and will result in more pressure to consolidate and upgrade applications;
- Incorporating web-based reporting engines and front-end applications to give clients and their advisers direct access to wealth management products; and
- Increasing pressure on fees and a focus on minimising administration costs, leading to further incentives to outsource Wealth Management Applications development, maintenance and Professional Services.

3.14.2.2 New Zealand

Following the Tacit acquisition in 2005, Bravura Solutions became one of the largest suppliers of Wealth Management Applications in the New Zealand financial services market. The majority of Bravura Solutions' clients in New Zealand are the New Zealand subsidiaries of Australian companies seeking to reduce costs and complexity across their business units. To achieve these cost savings, companies need an application that can comply with both New Zealand and Australian legislation, such as the Talisman application suite.

3.14.2.3 Europe

The European market presents a unique opportunity for firms such as Bravura Solutions that have existing and proven Wealth Management Applications, as Industry Participants search for better, more efficient and lower cost applications.

External software and external service providers in Europe are expected to increase in popularity as European banks are increasingly relying on external providers. Celent estimates that spending on external software by banks alone will rise to US\$18.6 billion in 2008. The spending growth in external software and services reveals the strategic shift for European banks to decrease the number of pure-in house projects. Initiatives in electronic execution, straight through processing and development of systems for cross-asset investment strategies, all contribute to the growth in IT spending across European securities and investment firms.

Bravura Solutions' current suite of Wealth Management Applications, is well suited to meet the requirements of the changing European administration and distribution landscape. Bravura Solutions' technology is capable of providing administrative solutions integrated across the majority of wealth management products in Bravura Solutions' targeted markets. The European tax and regulatory regimes, traditionally seen as a barrier to Australian and US providers entering the market, are already supported by Bravura Solutions' Wealth Management Applications.

Many UK transfer agency market participants are concerned that UK wrap platforms may mirror the success of wraps that has occurred in Australia over the past 10 years. Consequently, many of the larger transfer agency companies are considering a move into the wrap market. For Rufus software customers, Bravura Solutions is well placed to leverage the existing relationships to provide wrap applications to those customers. This presents a significant revenue opportunity for Bravura Solutions.

In February 2007, Bravura Solutions' accomplishments in the UK market were recognised as the Company won the UK Adnitor Award in the 'Industry Achievement for Administration Technology' category.

3.14.2.4 Asia

Bravura Solutions believes that expected increases in the size and sophistication of the Wealth Management Industries in Asian countries will be a key growth opportunity for Bravura Solutions. Reforms and growth in these markets are expected to have the effect of increasing demand for Wealth Management Applications that can administer the large volumes and broad range of wealth management products offered. As the market develops in Asia, practices and operating models are likely to be adopted from pension markets of other world regions where the products are highly developed. For those companies with expertise in Wealth Management Applications, such as Bravura Solutions, this presents an opportunity to partner with pension providers (whether they are government or private enterprise based).

In Asia, Bravura Solutions is targeting Industry Participants in five main countries: Vietnam, China (including Hong Kong), Korea, Thailand and India. Bravura Solutions' strategy is to introduce its Wealth Management Applications through:

- Existing Australian clients as they establish branches and offer wealth management products in Asia;
- Identify and target clients with a presence in more than one of our target countries;
- Subject to sales and professional services activity, increase staff numbers in the region;
- A regional partnering agreement to work with a number of IBM's existing clients in the region; and
- The distribution agreement with Finpro, a subsidiary of MediAssist, a major Indian health insurance administrator based in Bangalore.

Recently Bravura Solutions has signed a letter of engagement with New York Life for the provision of certain interim services in relation to the proposed implementation of Talisman in Asia. Subject to satisfactory completion of additional due diligence and the negotiation of definitive agreements, there is the opportunity to licence and implement Talisman across several of New York Life's markets in Asia over the next two to three years. This represents a significant opportunity for Bravura Solutions in Asia.

3.14.3 Potential new business

Bravura Solutions continues to actively seek new business opportunities consistent with its stated business objectives and growth strategy (as set out in section 3.14) and is currently in negotiations with a number of potential new clients and some existing clients for new business. Bravura Solutions expects that new business opportunities will continue to arise in the current financial period and in future financial periods and it is possible that, before the end of the Offer Period, Bravura Solutions may enter into new business arrangements for the development and provision of its Wealth Management Applications and related services. Any decision to enter into any such new business arrangement of a material nature will be made by the Board in conjunction with recommendations from management. If and when any such arrangements are entered into, Bravura Solutions will make an announcement to ASX, consistent with Bravura Solutions' disclosure obligations.



4. Board and management

4.1 Board of Directors

The current Board comprises two independent Non-Executive Directors, one Non-Executive Chairman and two Executive Directors. Details of each of the Directors' positions and their biographies are provided below.



Chris Ryan – Chairman and Non-Executive Director

BFA FCA

Chris Ryan is a Fellow of The Institute of Chartered Accountants in Australia and Chief Executive Officer of Investorlink Corporate Limited, specialising in corporate finance. Chris has 20 years experience in mergers and acquisitions, including capital and debt raisings, IPO's and trade sales.



Iain Dunstan – Group Chief Executive Officer and Managing Director

M.Com. Law, MBA, SIA (Aff), MAICD

Iain Dunstan has held senior roles in a number of listed technology companies, including General Manager – Solutions Marketing for Comops Limited and Chief Operating Officer for Concept Systems International Limited.

He was previously the Sales & Marketing Director for Mynd Corporation for a number of years before it was acquired by CSC. He is an Associate member of ASFA.



Simon Woodfull – Chief Executive and Director Global Operations

Simon Woodfull has more than 16 years experience in the financial services industry, with specific experience in superannuation and wealth management. Simon headed up CSC's 'Wealth Management' division for five years and prior to that, held executive roles with Policy Management Systems Corporation and Mynd. He has also held other corporate superannuation management roles with RACV Financial Services and Tower Life.



James MacKenzie – Non-Executive Director

B.Bus. FCA, FAICD

James MacKenzie is Chairman of Mirvac Group and Chairman of the Victorian Transport Accident Commission. He is a Director of Circadian Technologies Ltd, Strategic Pooled Developments Ltd, Victorian Major Events Company Limited and Victorian WorkCover Authority.

He has extensive experience in financial services both in Australia and overseas having held senior executive positions at Standard Chartered Bank, Norwich Union and ANZ Banking Group. A Chartered Accountant by profession, he was a partner in the Melbourne and Hong Kong offices of a Deloitte antecedent firm. He remains involved with Deloitte as a consultant.

James was awarded a Centenary Medal for services to Public Administration in 2003.

James is the Chairman of the Company's Remuneration and Nominations Committee.



Robert Summerton – Non-Executive Director

Solicitor

Robert Summerton is a consultant with Queensland law firm Summerton de Vere. He has extensive experience in the law on major commercial transactions and in corporate governance. He is a member of a number of professional bodies including the Law Council of Australia and the Australian Institute of Company Directors.

Robert is Chairman of Mirvac Funds Management Ltd (part of Mirvac Group) and Chairman of Property Funds Australia Ltd and a director of a number of other companies.

Robert chairs the Company's Audit, Corporate Governance and Risk Management Committee.

4.2 Executives

Jonathan Kenny – Company Secretary and Chief Financial Officer

MBA, Post Grad Dip Fin Mgmt, B.Ec, CA

Jonathan has over 19 years of finance experience throughout Asia Pacific in industries including IT, telecommunications, publishing, property development, hospitality and tourism.

Prior to this role, Jonathan worked for Marconi as the Finance Director for Asia Pacific, and has held various other finance roles both within Marconi and other organisations. Some of his previous accomplishments included growing the Marconi Australian business from startup to one of the major telecommunications vendors in the country.

He is a member of the Institute of Chartered Accountants and has a Company Directors Diploma from the Institute of Company Directors.

Jason Tong – Chief Operating Officer, Asia Pacific

BSc (Tech)

Jason Tong has more than 13 years experience in software development and service provision, specifically to the financial services industry.

Jason was the Chief Operating Officer for Tacit Group Ltd prior to the Bravura Solutions acquisition. He held many executive roles within Tacit prior to becoming COO, including running product development and opening and running Tacit's Melbourne operations in 1998.

Andrew Chesterton – Chief Operating Officer, EMEA

Andrew has over 23 years of experience in the finance industry, working with many leading financial organisations in a development and operational capacity.

Andrew joined the Retail Funds Software House in 2000 as the Head of Development and was previously responsible for Custody and Treasury development teams at SG Warburg.

Andrew held various senior roles in the Bank of New York's Retail Funds Services and Retail Funds Software House divisions, and was responsible for client facing technology services prior to the acquisition by Bravura Solutions.

Wes Hall – Head of Strategy and Product

B.Bus, EMBA, ASIA

Wes Hall has 11 years experience in the financial services industry having previously worked at National Private Bank and with AMP.

Wes has held senior corporate strategy and product development roles at AMP, with particular focus on financial planning, platform, wrap and distribution.

Bill Hookings – Head of Product and Strategy Rufus GTA

Bill has over 32 years of experience in the IT industry and has been involved in developing major mainframe, minicomputer and client server systems.

Bill has played a significant role in establishing Rufus GTA as one of the leading transfer agency systems across Europe.

Enda Mahoney – Head of Strategic Development

D.CS, Dip Fin. SIA

Enda Mahoney has over 16 years experience in the global financial services industry. Enda was formerly Managing Director of FMC's Asia Pacific Operations and prior to that, Head of Investment Management Technology at BT Financial Group.

4.3 Corporate governance

Bravura Solutions recognises the importance of good corporate governance and is committed to complying with a code of conduct and other appropriate corporate governance policies. The corporate governance framework for Bravura Solutions is based on the ASX Principles of Good Corporate Governance and Best Practice Recommendations (ASX Guidelines) and has regard to the circumstances of Bravura Solutions.

Bravura Solutions' website has a dedicated section dealing with its corporate governance on which can be found its corporate governance charters and policies.

4.4 The Board and Committees

4.4.1 Composition of the Board

The Board of five directors comprises two independent Non-Executive Directors, one Non-Executive Chairman and two Executive Directors.

Each member of the Board brings an independent judgment that enables them to act in the best interests of Bravura Solutions. However, the Board also recognises the formal distinction drawn by ASX Guidelines in respect of those Non-Executive Directors who are free of any business or other relationship that could, or could be perceived as, interfering with their independent judgment and those who are not.

The current Chairman of Bravura Solutions, Mr Ryan, is a Non-Executive Director but does not meet the company's guidelines of being independent as he has more than a 5% interest (either directly or indirectly) in the securities of Bravura Solutions and is a principal of a firm providing professional advice to Bravura Solutions. Mr Ryan has been associated with Bravura Solutions since its incorporation. Having regard to his involvement and the continued commitment to and investment in Bravura Solutions by him, and the original shareholders of the company prior to its listing, the Board considered it appropriate that these shareholders be represented on the Board by Mr Ryan and the non-executive chairman.

As a team, the Board brings a broad range of qualifications; with experience in finance, accounting, superannuation, legal, public company affairs, technology, human resources and corporate governance.

4.4.2 Role of the Board

The role of the Board is to provide strategic guidance for Bravura Solutions and effective oversight of its management. While the Board retains ultimate authority over management, it has set up a framework for delegation of authority over the day-to-day management to the Group CEO and other senior executives. These matters are set out in the Board Charter.

The Board will meet regularly to discharge its duties and each Non-Executive Director has signed an appointment letter setting out their rights and obligations as well as certain expectations.

The Board has also established two committees of directors, the Audit, Corporate Governance and Risk Management Committee and the Remuneration and Nominations Committee, to delegate responsibility for considering specific issues and making recommendations to the Board. Each committee has a formal charter.

4.4.3 Audit, Corporate Governance and Risk Management Committee

The Audit, Corporate Governance and Risk Management Committee is currently comprised of Chris Ryan, James MacKenzie and Robert Summerton, each of whom is a Non-Executive Director, a majority being independent, with appropriate financial and business expertise to act effectively as members of the Audit, Corporate Governance and Risk Management Committee.

The role of the Audit, Corporate Governance and Risk Management Committee is to provide advice and assistance to the Board to allow it to:

- Fulfil its audit, accounting and reporting obligations;
- Monitor the performance and independence of Bravura Solutions' auditors;
- Monitor compliance with applicable accounting standards and other requirements relating to the preparation and presentation of financial results; and
- Fulfil its responsibilities relating to financial statements, internal accounting and financial control systems, and risk management.

The Audit, Corporate Governance and Risk Management Committee has direct access to any employee, the external auditors or any other independent experts and advisers as it considers appropriate in order to ensure that its responsibilities can be carried out effectively.

4.4.4 Remuneration and Nominations Committee

The Remuneration and Nominations Committee is currently comprised of Chris Ryan, James MacKenzie and Robert Summerton.

The role of the Remuneration and Nominations Committee is to provide recommendations to the Board on matters including:

- Appropriate remuneration policies and monitoring their implementation with respect to executives, senior managers, Non-Executive Directors and other key employees;
- Incentive schemes designed to enhance corporate and individual performance;
- Retention strategies for executives and senior management;
- Composition of the Board and competencies of Board members;
- Appointment and evaluation of the executive directors and executives;
- Succession planning for Board members and executives; and
- Processes for the evaluation of the performance of the Group CEO and directors.

The executive directors have a standing invitation to attend and address the Remuneration and Nominations Committee meetings.

The remuneration of senior executives is described in section 8.5.3. The remuneration of Non-Executive Directors is set out in section 8.6.2

4.4.5 International Advisory Committee

Due to Bravura Solutions' increased emphasis in Europe and Asia, the Board is considering the concept of and framework for an International Advisory Committee. The Board believes that such a committee would be a cost effective way to gain senior independent advice regarding Bravura Solutions' offshore growth and expansion plans. The Board intends to ensure that experts appointed to the International Advisory Committee have relevant local experience in the financial services and technology industry for each region.

4.5 Corporate governance policies

Bravura Solutions has put in place a number of policies that are in line with ASX Guidelines. These include policies in relation to:

- Communications and continuous disclosure;
- Code of business conduct and ethics; and
- Share trading.

4.6 Communications and continuous disclosure policy

Bravura Solutions has adopted a communications and continuous disclosure policy and is committed to:

- Ensuring that Shareholders and the financial market are provided with timely disclosure about its activities;
- Full compliance with continuous disclosure obligations contained in the Listing Rules and the Corporations Act; and
- Ensuring that all investors have equal and timely access to material information concerning Bravura Solutions.

Information is communicated to Shareholders through the distribution of the annual report and whenever there are other significant developments to announce. In addition, all information released to ASX pursuant to Bravura Solutions' continuous disclosure obligations is posted on Bravura Solutions' website, www.bravurasolutions.com as soon as possible following disclosure to ASX.

4.7 Code of business conduct and ethics

Bravura Solutions' reputation is a key asset and reflects its culture and commitment to acting with integrity. The code of business conduct and ethics sets out Bravura Solutions' policies in respect of such matters as:

- Ensuring compliance with laws generally;
- Corporate opportunities and conflicts of interest;
- Use of company information and property;
- Fair dealing with others; and
- Equal opportunity and anti-harassment.

4.8 Share trading policy

Bravura Solutions' Directors and employees are prohibited from dealing in any Bravura Solutions securities if they are in possession of unpublished price sensitive information. At other times, Directors and employees must obtain approval to trade prior to dealing in Bravura Solutions' securities.

Certain blackout periods are imposed prior to the release of Bravura Solutions' annual and half-yearly results when no trading will be permitted.



5. Financial information

5.1 Introduction

The financial information contained in this Prospectus comprises:

- Audited historical income statement and cash flow for the period from the date of incorporation to 30 June 2005;
- Audited historical income statement and cash flow for the year ended 30 June 2006;
- Reviewed historical income statement and cash flow for the six months ended 31 December 2006;
- Reviewed forecast income statement and cash flow for the year ending 30 June 2007, which includes the actual reviewed results for the six months ended 31 December 2006 and the reviewed forecast income statement and cash flow for the six months ending 30 June 2007 (together the Directors' Forecast);
- Reviewed balance sheet as at 31 December 2006, together with a reviewed pro forma balance sheet as at 31 December 2006 which reflects the proposed capital and debt structure as contemplated by this Prospectus at that date (section 5.7);
- Reviewed historical and forecast revenue by geographic segment (section 5.5);
- Sensitivity analysis (section 5.6); and
- Accompanying notes (section 5.8).

The historical financial information has been audited or reviewed by Ernst & Young and the Directors' Forecast has been reviewed by Ernst & Young Transaction Advisory Services Limited. A copy of the Independent Accountant's Report is included in section 7.

The financial information should be read in conjunction with the Directors' assumptions in section 5.3, the Summary of Significant Accounting Policies in section 5.8, the risk factors in section 6 and other information contained in this Prospectus.

5.2 Summary of financial performance

The following table sets out the summary historical income statements for Bravura Solutions for the period ended 30 June 2005, year ended 30 June 2006 and the six months ended 31 December 2006, together with the Directors' Forecast for the year ending 30 June 2007.

The historical financial information and Directors' Forecast have been prepared in accordance with the measurement and recognition requirements (but not all the presentation and disclosure requirements) of applicable accounting standards and other mandatory professional reporting requirements.

The audited historical financial information for the year ended 30 June 2006 does not include any costs associated with operating as a listed public company. Additional costs associated with operating as a listed public company have been assumed for the purpose of the Directors' Forecast for the year ending 30 June 2007.

Financial performance

	Audited historical		Reviewed historical	Directors' Forecast
	Inception to 30 June 2005	12 months to 30 June 2006	6 months to 31 December 2006	FY2007
A\$000s except as indicated				
Revenue				
Maintenance & Support	4,842	10,811	9,587	36,218
Professional Services	4,316	14,310	12,127	38,160
New Licence Fees & Other	599	5,094	9,741	25,432
Total revenue	9,757	30,215	31,455	99,810
Operating expenses				
Employment	(6,096)	(16,689)	(16,370)	(60,642)
Research & Development	(157)	(4,670)	(4,920)	(9,014)
Other	(1,582)	(4,325)	(5,011)	(17,066)
Total expenses	(7,835)	(25,684)	(26,301)	(86,722)
EBITDA	1,922	4,531	5,154	13,088
Depreciation	(39)	(311)	(282)	(1,112)
Amortisation	(176)	(907)	(741)	(3,459)
EBIT	1,707	3,313	4,131	8,517
Interest income/(expense)	(154)	(657)	169	(2,731)
Net profit before tax	1,553	2,656	4,300	5,786
Income tax expense	(484)	(697)	(763)	(1,649)
Net profit after tax (NPAT)	1,069	1,959	3,537	4,137
Total Revenue Growth %	n/a	209.7%	n/a	230.3%
EBITDA Margin %	19.7%	15.0%	16.4%	13.1%
EBITDA Growth %	n/a	135.7%	n/a	188.8%
NPAT Margin %	11.0%	6.5%	11.2%	4.1%
NPAT Growth %	n/a	83.3%	n/a	111.2%

Notes:

1. Audited historical results for the period ended 30 June 2005 include two months of non-trading (from the date of incorporation to 9 December 2004) and seven months of trading (from 10 December 2004 to 30 June 2005).
2. FY2006 includes revenue from the Tacit acquisition (twelve months) and the Essential acquisition (three months).
3. The six months to 31 December 2006 includes revenue from the Rufus software acquisition (one month).
4. FY2007 forecast includes revenue from the Rufus software (seven months) and AB Prodata (six months).
5. FY2006 recognised an options expense of \$0.71 million.

5.3 Best-estimate assumptions underlying the Directors' Forecast

The Directors believe that they have prepared the Directors' Forecast with due care and attention and consider all best-estimate assumptions when taken as a whole to be reasonable at the time of preparing this Prospectus.

The Directors' Forecast has been prepared on the basis of numerous assumptions, including the key best-estimate assumptions set out below, and should be read in conjunction with the Independent Accountant's Report set out in section 7 and the risk factors set out in section 6. This information is intended to assist Shareholders in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur.

Shareholders should be aware that the timing of actual events, and the magnitude of their impact, might differ from that assumed in preparing the Directors' Forecast, and that this may have a materially positive or negative impact on Bravura Solutions' actual financial performance or financial position. Shareholders are advised to review the key best-estimate assumptions set out below in conjunction with the sensitivity analysis set out in section 5.6, the risk factors set out in section 6, and other information set out in this Prospectus.

5.3.1 General assumptions

The Directors' Forecast assumes:

- The Offer is fully subscribed and the amounts due to Bravura Solutions have been paid. There are no further material issues of Shares by Bravura Solutions in FY2007;
- All figures are in Australian dollars (A\$) unless specified;
- No significant change in the industrial, political or economic conditions prevailing in the jurisdictions in which Bravura Solutions or its key customers operate;
- No additional material acquisitions, disposals or restructuring of the business during the forecast period other than those disclosed in this Prospectus;
- No significant change in the legislative regimes and regulatory environments (including taxation) in the jurisdictions in which Bravura Solutions or its key customers operate which will materially affect the Directors' Forecast;
- Retention of key personnel;
- No changes in accounting standards or other mandatory professional reporting requirements or the Corporations Act which will have a material impact on the presentation of Bravura Solutions' financial performance, cash flows or financial position;
- Bravura Solutions' significant accounting policies remain consistent with those disclosed in section 5.8;
- No material beneficial or adverse effects arising from the actions of competitors;
- No change in Bravura Solutions' capital structure other than as set out in, or contemplated by this Prospectus;
- No material amendment to any material agreement or arrangement relating to Bravura Solutions' business; and
- No material adverse change in the status of contractual negotiations with current and potential new clients.

5.3.2 Revenue assumptions

Bravura Solutions generates revenues mainly through Maintenance and Support fees, Professional Services and New Licence fees (see sections 3.5 and 3.6 for a more detailed explanation of the revenue types).

The Directors' Forecast consists of:

- Contracted Maintenance and Support revenues – estimated based on recurring revenues from current contracts with existing clients;
- Revenues for Professional Services to existing clients – estimated after considering the levels of revenues currently being achieved, known projects and services required by existing clients and Bravura Solutions' resourcing capacity; and
- Uncontracted forecast revenue which is management's estimate of New Licence fees and associated Professional Services from identified new contracts that are as yet uncontracted.

The Directors' Forecast assumes that the agreements with existing clients will continue on terms and conditions that are no less favourable than those currently in place.

In all regions, uncontracted forecast revenue has been weighted based on the stage of the sales cycle with identified clients and likelihood of these being executed before 30 June 2007. Weightings used are as follows:

Weighting	Description
10%	Qualified opportunity where a prospective opportunity is identified by management
30%	Sales strategy identified and implemented by management
50%	Bravura Solutions is shortlisted to two or three parties in competition for a contract
70%	Bravura Solutions is the historical/preferred supplier
90%	Bravura Solutions is in the final stages of contract negotiation

5.3.3 Expense assumptions

Bravura Solutions' expenses in FY2006 and FY2007 consist primarily of employment, facilities, information technology and telecommunications (IT&T) costs.

Employment related expenses consist of employment expenses, as well as a portion of R&D. Employment related expenses are forecast based on projected headcount, general salary increases and projected R&D.

Operational and administrative expenses assumptions for the year ending 30 June 2007 are based primarily on the current cost structure for the half year ended 31 December 2006.

The FY2007 forecast does incorporate integration costs from the acquisition of the Rufus Software business in relation to office relocation, IT integration and the temporary duplication of premises and facilities.

Consistent with Bravura Solutions' accounting policies, R&D expenditure that does not meet the criteria for capitalisation has been expensed in the Directors' Forecast.

Depreciation and amortisation have been calculated in accordance with Bravura Solutions' accounting policies. Amortisation expense relates to the amortisation of intellectual property associated with the acquisition of technology from CSC, IQ Business Group and the Bank of New York (Rufus Software business) and that arising from the acquisitions of Tacit, Essential, and AB Prodata. There is also depreciation of office fit-out and equipment in relation to all operating premises.

5.3.4 Taxation

The effective tax rate assumed in the FY2007 Forecast is approximately 28.5%. This is less than the company tax rate of 30% due to timing differences and the utilisation of the 125% R&D tax credit in relation to the significant R&D activities currently being undertaken by Bravura Solutions. The Group's tax rates in the UK and New Zealand are consistent with that of Australia. Tax rates in the Group's other jurisdictions are lower than Australia.

5.3.5 Exchange rates

Exchange rates used for converting foreign entities into Australian currency for the six months ended 30 June 2007 are as follows:

NZ\$ to A\$	0.87
UK£ to A\$	2.50
US\$ to A\$	1.28
€ to A\$	1.67

Forecasts for each region are made in the functional currency of the main office in the region.

The Directors' Forecast assumes there will be no material change to the rates assumed to apply during the forecast period. The impact of changes in the A\$ exchange rate to the UK£ and US\$ are detailed in the sensitivity analysis in section 5.6.

5.3.6 Borrowing cost assumptions

Net interest for FY2007 assumes \$25 million of Bravura Solutions' existing debt facilities are repaid in April 2007 and no new debt is drawn under the senior financing facility.

5.4 Management discussion and analysis of historical and forecast financial information

5.4.1 Period ended 30 June 2005

Bravura Solutions commenced trading in Australia on 10 December 2004, through the acquisition of the wealth management division of CSC.

For the period ended 30 June 2005, total revenue was \$9.8 million. Maintenance and Support revenues contributed 50% of total revenue while Professional Services and New Licence fees comprised 44% and 6% of total revenue respectively.

Employment related expenses accounted for 78% of operating expenses, reflecting the labour intensive nature of application design and maintenance. Other key operating expenses included office facilities costs (with Bravura Solutions' offices in Sydney, Melbourne and Brisbane), which, in conjunction with IT&T costs, contributed an additional 9% of total costs. Non-client funded R&D costs were 2% and related to researching the initial architectural design for Sonata.

5.4.2 Year ended 30 June 2006 compared to period ended 30 June 2005

Audited historical for year ended 30 June 2006

Revenues of \$30.2 million in the year ended 30 June 2006 increased 210% over the previous period reflecting a full twelve months of revenue versus seven months in the previous period. The key revenue drivers were:

- An increase in New Licence fees in Australia from the sale of SuperB, Calibre and Ensemble to both new and existing clients;
- Additional revenues from customers acquired from Tacit in the UK and New Zealand, of \$5.3 million and \$2.0 million respectively;
- Increased New Licence fees generated in the UK from the sale of an upgrade for Talisman to an existing client; and
- Additional three months of revenue from customers acquired from Essential of \$1.5 million.

In FY2006 Professional Services contributed 47% of total revenue, Maintenance and Support contributed 36% and New Licences 17%. New Licence sales grew significantly on the prior period as did associated Professional Services revenue. Maintenance and Support revenues, whilst also increasing, decreased as a percentage of total revenue, due to the consolidation of certain major financial institutions in the Australian market.

Operating expenses in FY2006 increased in line with the increased headcount from acquisitions, as well as additional facilities and infrastructure costs associated with new offices around the world. Consolidation of acquisitions, primarily in the centralisation of operational functions, such as finance and human resources, was successfully implemented.

Employment related expenses increased in line with headcount and at \$21.4 million constituted 83% of total operating expenses. There is \$4.7 million of expenditure on R&D included within employment related expenses. In October 2005, Bravura Solutions began a significant investment in the development of Sonata resulting in the assignment of approximately 40 employees for the development of the Sonata suite of products, which in turn resulted in increased R&D expenditure for that year. In addition, several senior key executives were hired to support the growth and maturity of the business.

Other expenses increased as more facilities were utilised including a new office lease in London and additional offices through the Essential acquisition in Adelaide and Melbourne. Facilities and IT&T costs comprised 7% of total costs.

The increase in amortisation in FY2006 was primarily due to the purchase of amortisable intangible software assets from Tacit and Essential.

Increased R&D expenditure in FY2006 was associated with the development of the Sonata and Talisman technology.

Net interest and borrowing costs related primarily to the loans for the acquisitions of Tacit, Essential and the wealth management division of CSC.

5.4.3 Actual results for six months ended 31 December 2006

Revenues for the six months ended 31 December 2006 increased 89% compared to the previous six months from \$16.7 million to \$31.5 million. This increase reflects:

- An increase in New Licence fees in Australia and the UK predominately from the sale of Talisman and ePASS;
- Revenues from customers acquired with Rufus in the UK of \$7.4 million; and
- Increased Professional Services and maintenance revenues of \$7.8 million as a result of new contracts and upgrades by existing customers.

In the six months ended 31 December 2006, Professional Services contributed 39% of total revenue, Maintenance and Support contributed 30% and New Licences 31%. New Licence sales grew significantly over the prior period as did associated Professional Services revenue and Maintenance and Support revenue.

Operating Expenses in the six months ended 31 December 2006 increased 81%, from \$14.5 million to \$26.3 million, on the preceding six months. This is primarily driven by a 76% increase in headcount costs, in line with revenue growth, and the continued expansion of operations into Europe and Asia. R&D of \$4.9 million relates primarily to investment in core products for the period, a 62% increase on the preceding six months.

The increase in amortisation to \$0.7 million in the six months ended 31 December 2006 was primarily due to the amortisation of intangible software arising from the acquisition of Essential.

5.4.4 Forecast for twelve months ending 30 June 2007

Full year FY2007 revenue is forecast to increase by \$69.6 million to approximately \$100 million, an increase of 230% compared to FY2006. Of the increased revenue of \$69.6 million, \$24.0 million will be derived from growth in the existing business, and \$45.6 million from the acquisition of Rufus and AB Prodata in December 2006.

Of the \$68.4 million revenue forecast for the six months ending 30 June 2007, approximately 21% is uncontracted. Of the total uncontracted forecast revenue, approximately 88% represents opportunities for which the Company is a preferred tenderer, or is in contract negotiations and is thereby weighted at 70% or greater.

In Australia, revenue for the six months ending 30 June 2007 is forecast to remain relatively constant as compared to the preceding six months. This is attributable to a \$1.3 million decrease in New Licence fees, which is partially offset by additional Professional Services and Maintenance revenue. Similarly on a full year basis, projected FY2007 revenue of \$23.9 million is expected to be comparable to the prior year.

In New Zealand, revenue is forecast to increase by approximately 10% to \$2.1 million for the six months ending 30 June 2007, as compared to the preceding six months. This is largely due to improved Professional Services and Maintenance revenue streams arising from the adoption by businesses and employees of KiwiSaver, a voluntary work based savings initiative. Revenue for FY2007 is expected to be \$3.9 million, an 81% increase on FY2006.

In Asia, revenue for the six months ending 30 June 2007 is projected to be \$6.6 million as a result of significant opportunities with global financial institutions. These opportunities involve the installation of the Talisman and Ensemble applications and the maiden installation of the Rufus software. As a result forecast FY2007 revenue for Asia is expected to be \$7.1 million, as compared to \$0.5 million in FY2006.

Europe, and specifically the UK, is the most significant driver of the FY2007 growth, with revenues anticipated to increase from \$3.6 million to \$64.5 million. Of this revenue, Rufus and AB Prodata are forecast to provide 68% and 3% respectively. Of the forecast Europe revenue for the six months ending 30 June 2007, 87% is currently contracted, with the remaining revenues forecast from identifiable sales or service opportunities.

Growth within the existing Bravura Solutions' business in Europe, where revenue is expected to increase from \$3.6 million in FY2006 to \$19.0 million, is primarily attributable to Professional Services revenue associated with the sale of a Talisman licence to Friends Provident in December 2006.

Operating expenses are anticipated to increase by approximately \$61.1 million to \$86.8 million in FY2007. Key drivers of the increase include:

- A forecast 226% increase in employment related expenses in FY2007. This is based on a head count increase to approximately 600 by June 2007, salary increases, bonuses, commissions and an increase in directors' fees;
- An increase of \$12.7 million in other costs are expected from an increase in facilities expenses, enhancing the existing information technology infrastructure, and travel arising from the global expansion; and
- R&D costs in FY2007 are forecast to be \$9.0 million as compared to \$4.7 million in FY2006. The increase is due to both the commitment of additional internal resources and the use of external partners in the ongoing development of Sonata and Talisman.

The FY2007 amortisation expense is forecast to be \$3.5 million as compared to \$0.9 million in FY2006. The increase in amortisation is due to the amortisation of intangible assets associated with the acquisitions of Rufus and AB Prodata, together with the full year impact of amortisation charges in respect of software acquired under the Essential acquisition in March 2006.

The FY2007 interest expense is forecast to be \$3.5 million as compared to \$0.7 million in FY2006. The increase is attributable to seven months of interest arising from the debt drawn under the Acquisition and Working Capital facilities with BOS International. The interest expense also includes \$1.8 million to reflect the discount associated with the deferred settlement of the acquisition of Rufus in accordance with 'AASB 3 Business Combinations'. The interest expense is partially offset by forecast interest income of \$0.8 million earned on the proceeds of this rights issue (net of the proposed debt repayment).

5.5 Geographic segment information

	Audited historical		Reviewed historical	Directors' Forecast
	Inception to 30 June 2005	12 months to 30 June 2006	6 months to 31 December 2006	FY2007
A\$000s except as indicated				
Revenue				
Australia	9,708	23,875	12,433	23,861
Europe	–	3,565	16,475	64,529
New Zealand	–	2,172	1,870	3,929
Asia	–	527	524	7,141
Other	49	76	153	350
Total revenue	9,757	30,215	31,455	99,810

5.6 Sensitivity analysis

The Directors' Forecast has been based on certain economic and business assumptions about future events. A summary of the key best-estimate assumptions underlying the Directors' Forecast is set out in section 5.3.

The net profit after tax (NPAT) is considered to be sensitive to movements in a number of key assumptions. A summary of the likely impact of movements in certain key assumptions on the forecast NPAT for the year ending 30 June 2007 is set out below. However, the changes in key assumptions set out below are not intended to be indicative of the complete range of variations that may occur and are not intended as any indication of potential changes considered likely by the Directors.

Extreme care should be taken in interpreting this information. This analysis treats each movement in an assumption in isolation from possible movements in other assumptions, which may not be the case. Movements in one assumption may have offsetting or compounding effects on other variables, the effects of which are not reflected in the following analysis. In addition, it is possible that more than one assumption may move at any one point in time, giving rise to cumulative effects, which are also not reflected in this analysis. Typically, Bravura Solutions' management and Directors would respond to any material adverse change in conditions by taking appropriate action to minimise/maximise, to the extent possible, any adverse/beneficial effect on profits and dividends. The effect of any such mitigating action has been excluded from the following analysis.

Sensitivity

A\$000s	Impact on NPAT for FY2007
+/- 5% change in revenue ¹	+/- 3,568
+/- 5% change in operating expenses	+/- 3,100
+/- 5% change in A\$/US\$ exchange rate	+/- 212
+/- 5% change in A\$/UK£ exchange rate	+/- 159

Note:

1. It has been assumed that overheads do not move in line with turnover. Overheads tend to be more fixed in nature, requiring management intervention to materially alter the cost base. Where Bravura Solutions is successful with a contract or major project such that it is above full capacity (in terms of employees, use of facilities and infrastructure), then overheads would be increased to support the new level of activity. Where Bravura Solutions does not win a contract or major product such that it no longer is at full capacity, then it is unlikely that all overheads would be removed although employees may be able to be moved to source other revenue opportunities.

Uncontracted forecast revenue comprises 14% of total forecast revenue. The uncontracted revenue included in the FY2007 Forecasts includes initial licence fees in relation to New York Life and contracts with other major global financial institutions covering a number of regions. Contract negotiations are advanced with all parties and work has already commenced with New York Life. As the forecast revenue from these clients is not yet contracted, it has been weighted according to Bravura Solutions' weighting policy as set out in section 5.3.2. While Bravura Solutions is confident that these contracts will be signed in FY2007, if these contracts are not signed, or signing is delayed beyond 30 June 2007, this would impact FY2007 revenue between 2%-10% and EBITDA between 15%-68%.

5.7 Actual and pro forma balance sheet

A\$000s	Actual as at 31 December 2006	Pro forma adjustments	Notes	Pro forma as at 31 December 2006
Current assets				
Cash & cash equivalents	7,013	15,443	1	22,456
Trade & other receivables	22,423			22,423
Prepayments	866			866
Total current assets	30,302	15,443		45,745
Non-current assets				
Property, plant & equipment	3,453			3,453
Goodwill & business contracts	78,450			78,450
Intellectual property	26,720			26,720
Deferred tax asset	2,810			2,810
Other non-current assets	1			1
Total non-current assets	111,434			111,434
Total assets	141,736	15,443		157,179
Current liabilities				
Trade & other payables	8,863			8,863
Interest bearing loans & liabilities	363			363
Provisions	2,008			2,008
Income tax payable	2,180			2,180
Deferred consideration	1,722			1,722
Deferred revenue	4,235			4,235
Total current liabilities	19,371			19,371
Non-current liabilities				
Interest bearing loans & liabilities	43,137	(25,000)	2	18,137
Provisions	2,273			2,273
Deferred consideration	25,364			25,364
Deferred tax liability	191			191
Total non-current liabilities	70,965	(25,000)		45,965
Total liabilities	90,336	(25,000)		65,336
Net assets	51,400	40,443		91,843
Equity				
Issued capital	46,825	40,443	3	87,268
Other reserves	210			210
Retained earnings	4,365			4,365
Total equity	51,400	40,443		91,843

Notes:

1. Cash pro forma adjustment constitutes:

Proceeds from rights issue	42,943
Payment for rights issue transaction fees	(2,500)
Repayment of loan facilities	(25,000)
	<u>15,443</u>

2. Adjustment to Interest bearing loans & liabilities assumes partial repayment of loan facilities from proceeds of rights issue.

3. Issued capital pro forma adjustment constitutes:

Proceeds from rights issue	42,943
Payment for rights issue transaction fees	(2,500)
	<u>40,443</u>

5.8 Notes to the financial information

5.8.1 Summary of significant estimates and assumptions

The financial information has been prepared in accordance with the measurement and recognition requirements (but not all the disclosure requirements) of Australian Accounting Standards, including Australian Equivalents to International Financial Reporting Standards and other mandatory financial reporting requirements in Australia.

The financial information has been prepared on an accrual basis of accounting, including the historical cost convention and going concern basis of accounting. The financial report is presented in Australian dollars.

5.8.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Bravura Solutions and its subsidiaries ('the Group'). Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control. Subsidiary acquisitions are accounted for using the purchase method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

5.8.3 Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank, and in hand and short-term deposits, with an original maturity of three months or less.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

5.8.4 Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that Bravura Solutions will not be able to collect the debts. Bad debts are written off when identified.

Receivables from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

5.8.5 Investments

All investments are initially recognised at fair value plus, in the case of investments not measured at fair value through the profit and loss, transaction costs that are directly attributable to the acquisition of the investment. After initial recognition, investments which are classified as available-for-sale are measured at fair value.

5.8.6 Property, plant and equipment

5.8.6.1 Cost and valuation

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is measured on a straight line basis as follows:

Computer hardware	25%
Furniture and fittings	20%
Office equipment	20%

5.8.6.2 Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash generating unit to which the asset belongs, unless the asset value in use can be estimated to be close to its fair value. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

5.8.7 Intangibles

Intangible assets acquired separately are capitalised at cost, and intangible assets acquired from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets. The useful lives of intangible assets are assessed to be either finite or indefinite.

Amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Intellectual property and software	10 years
Trademarks	10 years
Business contracts and relationships	20 years

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite lived intangibles annually, either individually or at the cash-generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

5.8.8 Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

5.8.9 Recoverable amount of assets

At each reporting date, Bravura Solutions assesses whether there is any indication that an asset may be impaired. Where an indicator exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered to be impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

5.8.10 Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to Bravura Solutions prior to the end of the financial year that are unpaid and arise when Bravura Solutions becomes obliged to make future payments in respect of the purchase of these goods and services.

5.8.11 Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

5.8.12 Leases

Financial leases, which substantially transfer to Bravura Solutions all the risks and benefits incidental to ownership of the leased term, are capitalised at inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payment.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term if there is no reasonable certainty that Bravura Solutions will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the lease.

5.8.13 Related party transactions

Refer to section 8.7 of this Prospectus.

5.8.14 Contingent liabilities

A\$000s	As at 31 December 2006
Guarantees for rent of premises ¹	496
Bank guarantee for payroll facility ²	500
Total	996

Notes:

1. Bank guarantees in favour of the owners of the rental premises are supported by parent company indemnities and term deposits lodged with the National Australia Bank.
2. The National Australia Bank and Bank of New Zealand have provided guarantees for the payment of fortnightly salaries in Australia and New Zealand respectively.

5.8.15 Provisions

Provisions are recognised when Bravura Solutions has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined, or publicly recommended, on or before the reporting date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

5.8.16 Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

5.8.17 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Bravura Solutions and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

5.8.17.1 Licence fees

Revenue is recognised when the significant risks and rewards of ownership of the software have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer when the software is installed ready for use. Where there are conditions on a licence fee it is Bravura Solutions' policy only to recognise that portion of the licence based upon a straight line basis over the period of the obligation.

5.8.17.2 Rendering of services/maintenance contracts

Where the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Stage of completion is measured by reference to the labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

5.8.17.3 Deferred revenue

Fees for services received in advance are recorded as a liability within deferred revenue, and these amounts are amortised to the income statement over the life of the contract, which is in line with the provision of the services.

5.8.17.4 Interest

Revenue is recognised as the interest accrues at the effective interest rate to the net carrying amount of the financial asset.

5.8.17.5 Dividends

Revenue is recognised when the shareholders' rights to receive the payment is established.

5.8.18 Taxes

5.8.18.1 Income taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date, between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised:
 - except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
 - in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

5.8.18.2 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST incurred as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

5.8.19 Employee benefits

5.8.19.1 Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

5.8.19.2 Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees, up to the reporting date, using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

5.8.20 Foreign currency translation

Both the functional and presentation currency of Bravura Solutions Limited and its Australian subsidiaries is Australian dollars (A\$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All differences in the consolidated financial report are taken to the income statement.

Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of the overseas subsidiaries are as follows:

- Bravura Solutions (NZ) Limited – New Zealand dollars (NZ\$)
- Bravura Solutions (UK) Limited – British pounds (UK£)
- Bravura Solutions (HK) Limited – United States dollars (US\$)
- AB Prodata – Euro (€)

As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Bravura Solutions Limited at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period.

The exchange differences arising on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

5.8.21 Research and Development (R&D) costs

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale; its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project date.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

5.8.22 Borrowing costs

Borrowing costs are recognised as an expense when they are incurred.

5.8.23 Share-based payment transactions

Bravura Solutions provides benefits to employees (including directors) of the company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the market price of shares of Bravura Solutions Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination for fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified.

In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

5.8.24 Capital commitments

A\$000s	As at 31 December 2006
(a) Finance leasing	
Office and computer equipment	474
Payable:	
- not later than one year	391
- later than one year but not later than two years	101
- later than two years but not later than three years	15
- later than three years but not later than five years	–
Minimum lease payments	507
Less: future finance charges	(33)
Total finance lease liability	474
Comprising of:	
Current liability	364
Non-current liability	110
Total finance lease liability	474
(b) Operating lease commitments	
Non-cancellable operating leases contracted for but not capitalised in the financial statements	
Property and computer equipment	6,040
Payable:	
- not later than one year	1,801
- later than one year but not later than two years	1,349
- later than two years but not later than three years	893
- later than three years but not later than five years	1,026
- later than five years	971
Total operating lease liability	6,040
(c) Remuneration commitments (as at 31 December 2006)	
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities in the financial statements	
	2,250
Payable:	
- not later than one year	900
- later than one year but not later than two years	900
- later than two years but not later than three years	450
- later than three years but not later than five years	–
Total remuneration commitments	2,250

5.8.25 Financial risk management objectives and policies

The Group's principal financial instruments comprise bank loans, finance and operating leases, and cash and short term deposits.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability, are disclosed in other parts of section 5.8.

Cash flow interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short and long term debt obligations with a floating interest rate. The Group's policy to manage its interest cost is to regularly review its debt facilities and providers. In addition, the Board reviews debt levels to determine the appropriateness of fixing interest rate exposures.

Liquidity risk

The Group's policy to manage its liquidity risk is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and operating leases.

Foreign currency risk

As a result of significant opportunities in the UK, the Group's financial statements can be affected significantly by movements in the A\$/UK£ exchange rates. In the historical numbers presented, the Group did not seek to hedge this exposure, but following the increased focus of the Group on the UK market, the Group has reviewed its policy. The Group may seek to mitigate the effect of material currency exposure by implementing the use of hedging instruments. It is envisaged that forward currency contracts (or equivalent type instruments) will be used to eliminate currency exposures on significant monetary transactions for which a payment is anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase.

The Group will also monitor the impact of the A\$/US\$ exchange rate with regards to the growth of opportunities in Asia (where the majority of transactions are denominated in US\$) and may look to implement similar strategies to mitigate this exposure.

Credit risk

The Group aims to ensure it trades only with creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is minimal. There are no significant concentrations of credit risk within the Group.

5.8.26 Business combination

(a) December 2006 – Rufus software business acquisition

On 1 December 2006 Bravura Solutions acquired Rufus from the Bank of New York.

A\$000s	Recognised on acquisition
Net assets of Rufus software business at 1 December 2006:	
– Business contracts	34,338
– Intellectual property	16,408
– Property, plant and equipment	1,570
Fair value of identifiable net assets	52,316
Goodwill arising on acquisition	24,910
	77,226
Cost of the combination:	
– Cash consideration paid	48,307
– Deferred payment due to vendors	27,086
– Acquisition costs	1,833
Total cost of the combination	77,226
The cash outflow on acquisition is as follows:	
– Cash consideration paid including acquisition costs	50,140

The \$27,086,000 represents the present value of the deferred payments due to vendors as at the date of acquisition. The total deferred payment due to the vendors as per the purchase agreement is \$32,000,000 and will be paid within three years.

(b) December 2006 - AB Prodata S.à.r.l. acquisition

On 8 December 2006 Bravura Solutions acquired AB Prodata with an effective date of 31 December 2006.

A\$000s	Recognised on acquisition
Net assets of AB Prodata S.à.r.l. at 31 December 2006:	
– Business contracts	781
– Intellectual property	3,367
– Trade and other receivables	1,345
– Borrowings (net)	(91)
– Trade and other payables	(1,372)
– Tax liabilities (net)	(71)
Fair value of identifiable net assets	3,959
Goodwill arising on acquisition	3,137
	7,096
Cost of the combination:	
– Cash consideration paid	6,776
– Acquisition costs	320
Total cost of the combination	7,096
The cash outflow on acquisition is as follows:	
– Net cash acquired with the subsidiary	(91)
– Cash consideration paid including acquisition costs	7,096
Net cash outflow	7,005

The values identified in relation to the acquisitions of the Rufus and AB Prodata are provisional as the valuations are still being finalised. Goodwill relates to the synergies expected to be achieved as a result of combining Rufus and AB Prodata with the Group.

5.9 Cash flow statement

The cash flow statement makes certain assumptions relating to the timing of operating cash flows including:

- Receipts from customers are forecast to be consistent with revenues; and
- Payments to suppliers are forecast to be consistent with operating expenses (excluding non-cash items).

Cashflow statement

A\$000s except as indicated	Audited historical		Reviewed historical	Directors' Forecast
	Inception to 30 June 2005	12 months to 30 June 2006	6 months to 31 December 2006	FY2007
Cashflow from operating activities				
Receipts from customers ¹	8,735	25,305	19,007	91,470
Payments to suppliers & employees ²	(7,280)	(24,884)	(21,548)	(81,025)
Other ³	164	(273)	10	(1,408)
Net cash flows from operating activities	1,619	148	(2,531)	9,037
Cash flow from investing activities				
Payments for acquisitions ⁴	(6,222)	(9,855)	(57,833)	(57,833)
Purchases of property, plant & equipment	(51)	(288)	(315)	(1,105)
Other	(2)	(635)	169	169
Net cash flows from investing activities	(6,275)	(10,778)	(57,979)	(58,769)
Cash flow from financing activities				
Proceeds of Share Issues (pre-IPO) ⁵	5,012	–	–	–
Proceeds of Share Issue (IPO)	–	46,414	–	–
Share buyback payment	–	(6,000)	–	–
Payment of share issue costs	(175)	(2,418)	(1,100)	(1,100)
Proceeds from rights issue	–	1,003	–	42,941
Payment of rights issue costs	–	–	–	(2,500)
Dividend payments ⁶	–	–	(2,200)	(3,672)
Proceeds of bank loans ⁷	2,000	–	43,266	43,266
Repayment of bank loans	(200)	(2,324)	–	(25,000)
Other ⁸	508	(767)	(210)	(359)
Net cash flows from financing activities	7,145	35,908	39,756	53,576
Net increase/(decrease) in cash and cash equivalents	2,489	25,278	(20,754)	3,844
Cash and cash equivalents at beginning of period	–	2,489	27,767	27,767
Cash and cash equivalents at end of period	2,489	27,767	7,013	31,611

Notes:

- Receipts from customers are forecast to be consistent with revenues.
- Payments to suppliers are forecast to be consistent with operating expenses (excluding non-cash items).
- Other cash flows from operating activities relate to sundry income, interest income, less tax paid.
- Payments for acquisitions constitute payments for the purchase of Essential (March 2006), Rufus (December 2006) and AB Prodata (December 2006).
- Proceeds of share issue (pre-IPO) relates to rights issue from pre-IPO shareholders.
- Dividend payment in the six months to 31 December 2006 relates to payment to pre-IPO shareholders; the dividend payment in FY07 is consistent with dividend policy stated in section 5.10.
- Proceeds of bank loans in FY07 constitutes new borrowings to partially fund acquisitions. A portion of this debt is repaid with the proceeds of this rights issue.
- Other cash flows from financing activities relates to repayment of other loans and finance leases.

5.10 Dividend policy

At the time of the IPO the Directors intended to distribute between 40% and 50% of Bravura Solutions' after tax profits as dividends. In accordance with this policy, the Directors declared the first interim dividend for the half year ended 31 December 2006 of 1.2 cents per share which is payable in April 2007. This interim dividend will be fully franked.

However, due to recent and forecast growth of the business, and increasing working capital requirements, the Directors have resolved to amend Bravura Solutions' dividend policy. The Directors currently intend to distribute between 25% to 30% of Bravura Solutions' after tax profits as dividends, payable half-yearly in April and October each year. Dividends will be franked to the maximum extent possible.

The payment of dividends by Bravura Solutions will be at the discretion of the Directors and subject to available profits and cash flows, the level of borrowings, capital expenditure and working capital requirements. No guarantee can be given about the payment of dividends, the level of franking of such dividends, or the extent of payout ratios for the year ending 30 June 2007, or for any future period, as these matters will depend upon the future profits of Bravura Solutions and its financial and taxation position as well as general business and financial conditions and any other factors the Directors may consider relevant.



6. Risk factors

There are a number of risks, both specific to Bravura Solutions and general investment risks, which may materially and adversely affect the future performance of Bravura Solutions and the value of Shares. Bravura Solutions has taken steps to put in place safeguards and appropriate systems and actions to mitigate risks but it cannot guarantee that these safeguards and systems will be effective. Some risks are outside the control of Bravura Solutions and the Directors, and cannot be mitigated. This section describes a number of risks associated with an investment in Shares. Shareholders should note that this list of risks is not exhaustive, as it is not possible to identify all risks.

None of the Directors, Bravura Solutions, or any person associated with Bravura Solutions, guarantees the performance of Bravura Solutions, the performance of New Shares offered under this Prospectus, the payment of dividends, or the market price at which the New Shares and Shares will trade.

Prior to making a decision in respect of taking up your Entitlement, Shareholders should read this Prospectus carefully and in full and consider the following risk factors. Shareholders should have regard to their own investment objectives and financial circumstances, and should consider seeking professional guidance from their accountant, financial adviser, stockbroker, lawyer or other independent professional adviser before deciding whether to invest.

6.1 Risks associated with Bravura Solutions business

The key risk factors associated with Bravura Solutions' business that may affect the performance and financial position of Bravura Solutions are described below. Prospective investors should note that this list of risks is not exhaustive.

6.1.1 Economic environment

General economic conditions in the countries and regions in which the Group operates will affect the performance of Bravura Solutions. Adverse changes in such factors as the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies) and employment rates, among others, are outside the control of Bravura Solutions and the Directors, and may result in material adverse impacts on the business and its operating results and forecasts.

Bravura Solutions' clients operate in the financial services and wealth management industries in various countries. A number of external factors may cause clients and potential clients to reduce, delay, or cancel expenditure on Bravura Solutions' products and services, including:

- A weakening or downturn of the financial services and wealth management industries; and
- Fluctuations, disruptions or instability in the financial services industry or global or domestic economies.

6.1.2 Regulation and legislative changes

Legislative and regulatory changes which affect the Wealth Management Industry have in the past had a positive impact on Bravura Solutions' financial performance by generating additional Professional Services revenues. However, there is a risk that future legislative or regulatory changes in the countries and industries in which Bravura Solutions or its clients operate, may cause Bravura Solutions or its clients to incur increased costs.

In Australia, Bravura Solutions has sought to manage its exposure to changes through its representation on the Superannuation Funds Working Group and Software Developers Consultative Group convened by the ATO. These groups, amongst other things, discuss proposed legislation changes. This enables Bravura Solutions to participate in lobby groups that seek to influence the direction of proposed legislative change and help mitigate the risk of legislation being introduced that is not technically viable for compliance by the Wealth Management Industry in Australia.

Bravura Solutions also participates in relevant industry groups within other regions such as the PEP and ISA Managers' Association (PIMA), Investment Managers' Association (IMA) committees in the UK and Investment Savings and Insurance Association (ISI) within New Zealand, to monitor exposure to proposed legislative changes.

The enactment dates for legislation are fixed. There is a risk that an increase in project scope could mean a late software delivery thereby missing a compliance deadline. Bravura Solutions' approach to mitigate this risk, is to work with industry groups and the customer base to ensure that additional work that is required fits within the parameters for successful on time delivery.

6.1.3 Uncontracted forecast revenue

Approximately 14% of the forecast revenue for the year ending 30 June 2007 is uncontracted. Uncontracted forecast revenue has been weighted according to the position in the sales cycle for potential opportunities identified as set out in section 5.3.2. The weightings applied reflect management's view on the likelihood that the revenues will actually be realised. However, there is no guarantee that any of the identified opportunities will result in contracts with Bravura Solutions, that recurring revenues will be realised, or that any of these uncontracted forecast revenues will be received by Bravura Solutions.

In addition, there is no guarantee on the timing of uncontracted forecast revenue. Bravura Solutions is exposed to the risk that potential opportunities identified are not realised in the period forecast, due to delays in contractual negotiations, or a potential client deciding to postpone a Wealth Management Application upgrade by Bravura Solutions. Such a delay in the timing of uncontracted forecast revenue could have a material adverse impact on the financial performance of Bravura Solutions.

6.1.4 Sonata rollout

The achievability of Bravura Solutions' growth strategy (set out in section 3.14) is dependent on the timing of commencement of a number of key contracts, in particular contracts relating to the licensing and installation of Sonata to existing and new clients. This risk is mitigated by the commitment of foundation clients to the Sonata product development under contract.

There is a risk that Sonata does not meet the demands of Bravura Solutions' clients or development and implementation of Sonata is terminated or delayed, which would have a material adverse impact on Bravura Solutions' ability to meet forecast earnings. As at the date of this Prospectus, the Sonata project was progressing in accordance with the requirements of the foundation clients. However, there is a risk that the project will not deliver to the desired timeline, budget, quality or scope.

6.1.5 Product development and technology

The development of Bravura Solutions' Wealth Management Applications is a complex process. Despite rigorous testing by Bravura Solutions and clients, there is the possibility that Bravura Solutions' Wealth Management Applications may contain defects, bugs or errors that are difficult to detect or correct. Undetected design defects, errors or failures may significantly impact Bravura Solutions' reputation and performance.

Bravura Solutions is reliant on enhancing its existing products and services and developing and introducing new products and services to meet changing client needs and evolving regulatory requirements for the Wealth Management Industry. Bravura Solutions will lose market share and its competitive advantage if it is unable to predict, react and incorporate technological developments into its products and services.

Bravura Solutions is seeking to partially mitigate the risk of not detecting errors in its applications by partnering with IBM to design a test strategy that delivers end to end testing, as well as high levels of automation testing for repeatable test cycles to identify any potential errors.

6.1.6 Growth and acquisition risk

As part of its growth strategy, Bravura Solutions has made and intends to continue to make strategic acquisitions to add to its existing business. There is a possibility that Bravura Solutions is unable to find and integrate suitable quality acquisitions that align with Bravura Solutions' strategic direction and target markets.

Bravura Solutions' anticipated growth by acquisition will require it to face operational and financial risks commonly encountered with such a strategy, including but not limited to, continuity or assimilation of operations and personnel, constraints on limited management resources, and impairment of relationships with employees and customers of the acquired businesses as a result of changes in ownership and management. Bravura Solutions is exposed to similar risks associated with the continuing integration of Rufus and AB Prodata which were acquired in December 2006.

To finance such acquisitions, Bravura Solutions may incur additional indebtedness as permitted under its financing facilities and may seek to raise capital. Such actions, and the terms on which such funding could be obtained, may have a material adverse impact on Bravura Solutions' financial position.

Further, failure to achieve the anticipated benefits of an acquisition in the expected time frame could have an adverse impact on Bravura Solutions' business. Acquisitions could also potentially expose Bravura Solutions to contingent or unknown liabilities, write-off investments, infrastructure costs or impaired goodwill. Also, failure to identify and execute suitable acquisitions could have a detrimental effect on Bravura Solutions' ability to continue R&D and service clients to the required level.

6.1.7 Retention and attracting experienced personnel

Bravura Solutions is reliant on certain key management, technical and sales personnel to generate future earnings. The achievability of the FY2007 Forecast is partially dependent on the recruitment of additional professional and technical staff with appropriate skill sets. Bravura Solutions is committed to retaining key personnel, including by implementing and maintaining a long term incentive plan. However, there is no guarantee that key personnel will remain committed to Bravura Solutions. Bravura Solutions has entered into Executive Service Agreements with its executive directors Iain Dunstan and Simon Woodfull, which are summarised in section 8.5.3.

Although Bravura Solutions has a strategy of developing relationships with clients, there is no guarantee that a client will remain committed to Bravura Solutions if any staff member with which the client has been dealing leaves.

Bravura Solutions relies on its ability to attract, retain, motivate and train highly skilled and qualified employees in order to develop and market its products. Therefore, if key personnel leave Bravura Solutions, or do not continue to be engaged by Bravura Solutions, this may have a material adverse effect on Bravura Solutions' ability to achieve its forecast earnings.

6.1.8 Competition

Current or potential competitors may have greater resources for research and development, develop superior products or adapt more quickly to new technologies, evolving industry trends or changing client or regulatory requirements. Increased competition may result in price reductions, reduced margins and loss of market share. There is no assurance that Bravura Solutions will be able to win market share from its competitors in its key or new markets.

The threat of new entrants or competitors is in part mitigated by the complexity of the Wealth Management Industry globally. This complexity provides a high cost and barrier to entry for potential competitors to Bravura Solutions.

6.1.9 Loss of key clients

Loss of a key client may arise if the client changes to its own in-house Wealth Management Application, or if the client changes to a competitor's products and services. Additionally, a client could merge with another company which uses its own in-house Wealth Management Application which might lead to the client adopting this system. These events could have an adverse effect on Bravura Solutions' financial performance and market share. This may be partially offset by the additional revenues from Professional Services fees as systems are merged and upgraded.

6.1.10 Client attraction and retention

Bravura Solutions' ability to meet the needs of existing clients, to extend and renew existing contracts, sell additional products or services, or attract new clients, is essential to its financial performance. A number of factors affect Bravura Solutions' ability to successfully retain and attract clients, including:

- Demand for Wealth Management Applications and Professional Services;
- Level of client spending on IT;
- Level of competition from internal client solutions and competitors;
- Quality of Bravura Solutions' customer service;
- Ability to update products and service and develop new products and services required by clients;
- Ability to understand the organisation and processes of clients; and
- Ability to integrate and manage new clients following the acquisition of a business.

Bravura Solutions' clients may defer spending on Wealth Management Applications for a number of reasons or decide not to proceed at all. Deferral or termination of existing contracts or anticipated projects could result in the loss or deferral of forecast earnings to subsequent financial years. Some customer contracts acquired as part of the Rufus and AB Prodata acquisitions provide for termination without cause (with varying notice periods). However, Bravura Solutions' strong customer relationships and the nature of its business mitigate against the risk of early termination.

The risk of delays to the commencement of key contracts is partially mitigated by Bravura Solutions' ability to immediately redeploy staff to perform Professional Services for other clients.

6.1.11 Key suppliers

Bravura Solutions relies on third-party software, hardware and technologies for the development, implementation and operation of its products and services. Key third-party suppliers include Microsoft, Oracle, IBM and Sybase.

Bravura Solutions' operations would be significantly impacted if:

- Existing licences were found to infringe the rights of others; or
- Third-party suppliers no longer made their software available to Bravura Solutions or Bravura Solutions' clients; or
- Third-party suppliers materially increased the price of their licences; or
- An unforeseen material problem arose which prohibited Bravura Solutions' products using or functioning together with third-party wrap platforms or software.

In such circumstances, Bravura Solutions may be required to undertake additional development tasks or find new suppliers of such products.

6.1.12 Intellectual property

Bravura Solutions' market position depends, in part, on its ability to protect its intellectual property rights and proprietary applications. Bravura Solutions relies on a combination of trade secret, copyright and trademark law, non-disclosure agreements and technical measures to protect its proprietary technology. These actions provide only limited protection for the applications and associated documentation.

It is possible for a third party to gain unauthorised access to, and to use applications and materials to which, Bravura Solutions has proprietary ownership. In addition, it may be possible for unauthorised third parties to copy portions of its products or to reverse engineer or otherwise obtain and use proprietary information.

There is the risk that third parties may claim the technology Bravura Solutions has developed, acquired or incorporated into its products will infringe the rights third parties may hold. There is also a risk that the seller of technology which it has acquired may not have appropriately protected the intellectual property rights. Indemnities and other rights under applicable acquisition documents and laws may provide some protection, although there is the risk that Bravura Solutions' efforts and legal safeguards may be insufficient to prevent third parties asserting intellectual property rights over or using Bravura Solutions' applications and products.

6.1.13 Financing facilities

The Directors believe that the capital structure of Bravura Solutions following the fundraising under the Offer, together with its borrowing facilities, will provide sufficient capital resources to enable Bravura Solutions to achieve its forecast as set out in this Prospectus. However, there is no guarantee that the forecast can be achieved without further financing or, if further financing is required, that it can be obtained on favourable terms or at all.

6.1.14 Foreign exchange risk

Bravura Solutions prepares its financial statements in A\$, while over 75% of forecast revenue in FY2007 will be received in currencies other than A\$. Changes in foreign currency exchange rates could have an adverse impact on the value of Bravura Solutions' assets and liabilities, revenues and costs and therefore its financial results. Historically, Bravura Solutions has managed its exposure to foreign exchange risk by natural hedging through keeping relevant foreign currency cash accounts and matching foreign costs with foreign revenues. While natural hedging will continue, Bravura Solutions is currently reviewing its hedging policy and it envisages it will seek to manage its foreign exchange rate risk on material monetary transactions through the use of hedging instruments. Sensitivity analysis for exchange rates is set out in section 5.6.

6.1.15 Litigation and contractual claim risk

Having regard to the nature of its business, Bravura Solutions could become subject to litigation regarding intellectual property rights, product liability claims, claims arising under acquisition contracts or customer contracts or other claims.

Bravura Solutions' contracts with clients generally contain clauses which seek to limit its liability. Bravura Solutions has also undertaken appropriate general product liability insurance. Despite these protections it is possible that product liability or other claims not covered by insurance may arise and have an adverse effect on Bravura Solutions' financial performance and reputation.

In relation to potential claims arising under acquisition contracts, it should also be noted that the acquisition agreement pursuant to which Bravura Solutions acquired the Rufus GTA software contains a restrictive covenant preventing Bravura Solutions from selling Rufus GTA software to any competitor of the Bank of New York for five years following the acquisition, or, while the Master Licence and Services Agreement is in effect, to a non-competitor without the Bank of New York's consent. For the purposes of the restrictive covenant, a direct or indirect change in control of Bravura Solutions (where control may include owning 20% of the voting shares in Bravura Solutions) is deemed a sale of Rufus GTA software.

6.1.16 Hostilities, acts of terrorism and politics

Hostilities, problematic trade or international relations, or social or political unrest may affect the Group's ability to carry on business in the countries in which it operates. Further, acts of terrorism or an outbreak, or escalation of international hostilities may adversely affect consumer confidence and spending and general economic conditions globally or in regions in which the Group operates. Accordingly, such events may have a negative impact on Bravura Solutions' financial performance.

6.1.17 Taxation

Changes to taxation legislation or policy in jurisdictions where Bravura Solutions operates may adversely affect Bravura Solutions' profit. Any change in the status of Bravura's Solutions eligibility to receive R&D tax concessions could similarly have an adverse effect on Bravura Solutions profit. In addition, any change in tax arrangements between Australia and other jurisdictions could have an adverse impact on future profit of Bravura Solutions and the level of dividend franking.

6.2 Risks associated with this Offer

6.2.1 Stock market fluctuations

The price of the Shares on ASX may rise or fall due to numerous factors that may affect the market performance of Bravura Solutions and are beyond the control of Bravura Solutions and the Directors, including:

- General economic conditions, including changes in inflation rates, interest rates and exchange rates;
- Variations in the domestic and international market for listed stocks;
- Changes to government policy, legislation or regulation;
- Inclusion or removal from market indices; and
- General operational and business risks.

In particular, the share prices for many companies may reflect a diverse range of non-company specific influences such as acts of terrorism and the general state of the economy. Such market fluctuations may materially adversely affect the price of the Shares.

No guarantee can be made that Bravura Solutions' market performance will not be adversely affected by any such market fluctuations or factors. None of the Directors, Bravura Solutions, or any person associated with Bravura Solutions, guarantees the market price at which the Shares will trade.

6.2.2 Liquidity

There can be no guarantee that an active market in the Shares will continue or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders who acquire Shares under the Offer receiving a market price for their Shares that is less or more than the Offer Price that Shareholders paid.

6.2.3 Dilution

Shareholders may be diluted by future capital raisings by Bravura Solutions. Bravura Solutions may also use stock to finance future acquisitions, which may dilute the value of Shareholders' interests if the business value received in the acquisition is less than the value given up by issuing stock to finance the acquisition.



7. Independent accountant's report



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TRANSACTION ADVISORY SERVICES

7 March 2007

The Directors
Bravura Solutions Limited
Level 2, 345 George Street
SYDNEY NSW 2000

Dear Directors

Bravura Solutions Limited - Independent Accountant's Report

We have prepared this Independent Accountant's Report (the "Report") at the request of the Directors for inclusion in a Prospectus to be dated on or about 7 March 2007 (the "Prospectus") relating to the offer for issue of shares in Bravura Solutions Limited.

Expressions defined in the Prospectus have the same meaning in this Report.

The nature of this Report is such that it can be given only by an entity, which holds an Australian Financial Services Licence under the Corporations Act. Ernst & Young Transaction Advisory Services Limited holds the appropriate Australian Financial Services Licence.

Scope

We have been requested to prepare the Independent Accountant's Report covering the following information for Bravura Solutions Limited and its controlled entities ('Bravura' or 'the Company'). Our opinion only extends to the Sections as noted in the following Scope.

Historical Financial Information

The Summary Historical Financial information comprises:

- The income statements for the period ended 30 June 2006 and the income statement for the six months ended 31 December 2006 as set out in Section 5.2 of the Prospectus;
- The statements of cash flows for the period ended 30 June 2006 and the six months ended 31 December 2006 as set out in Section 5.9 of the Prospectus;
- The balance sheet as at 31 December 2006 as set out in Section 5.7 of the Prospectus; and
- applicable notes to the Historical Financial Information as set out in Section 5.8 of the Prospectus.

The Summary Historical Financial Information for the period ended 30 June 2006 has been extracted from the audited statutory financial statements of the Company, which were audited by Ernst & Young and on which unqualified audit opinions were issued.



The Summary Historical Financial Information for the six months ended 31 December 2006 has been extracted from the reviewed financial statements of the Company, which have been subject to review by Ernst & Young.

Reviewed Pro forma Balance Sheet

The Pro forma Balance Sheet has been prepared as at 31 December 2006, which assumes completion of the pro forma transactions and adjustments as contemplated by this Prospectus and as included in section 5.7 of the Prospectus.

Reviewed Forecast Financial Information (“Directors’ Forecasts”)

The Directors’ Forecasts comprise:

- Forecast income statements of the Company for the year ending 30 June 2007 as set out in section 5.2 of the Prospectus; and
- Forecast cash flow statements of the Company for the year ending 30 June 2007 as set out in section 5.9 of the Prospectus.

The Directors are responsible for the preparation and presentation of the Historical and Pro forma Historical Financial Information and the Directors’ Forecasts, including the best estimate assumptions, which include the pro forma transactions on which they are based. The Directors have determined that the basis of accounting used is appropriate. The Historical and Pro forma Historical Financial Information and the Directors’ Forecasts have been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Historical and Pro forma Historical Financial Information and the Directors’ Forecasts to which it relates for any purposes other than for which it was prepared. This Report should be read in conjunction with the full Prospectus.

Audit of Historical Financial Information

We have conducted an independent audit of the Audited Historical Financial Information for the period ended 30 June 2006 in order to express an audit opinion. Our audit has been conducted in accordance with Australian Auditing Standards applicable to audit engagements to provide a reasonable assurance whether the historical financial information is free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the historical financial information, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the Audited Historical Financial Information has been prepared in accordance with the measurement and recognition requirements (but not all the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the Company’s performance as represented by the results of its operations and its cashflows for the period ended 30 June 2006

Review of Historical Financial Information

We have conducted an independent review of the Reviewed Historical Financial Information for the six months ended 31 December 2006 in order to state whether, on the basis of the procedures described, anything has come to our attention that would cause us to believe that the Reviewed Historical Financial Information is not prepared in accordance with the measurement and recognition requirements (but not all the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and has been limited to reading of relevant Board minutes, inquiries of

management personnel, analytical procedures applied to the financial data and certain limited verification procedures. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Reviewed Historical Financial Information.

Review of Pro forma Balance Sheet

We have conducted an independent review of the Pro forma Balance Sheet in order to state whether on the basis of the procedures described, anything has come to our attention that would cause us to believe that the Pro forma Statement of Financial Position is not prepared in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro forma transactions had occurred at 31 December 2006.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and has been limited to reading of relevant documentation, enquiries of Bravura personnel and analytical procedures applied to the financial data. We have also determined whether the pro forma transactions form a reasonable basis for the preparation of the Pro forma Balance Sheet. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. Ernst & Young have not performed an audit and, accordingly, do not express an audit opinion on the Pro Forma Balance Sheet.

Review of Directors' Best Estimate Assumptions

Our review of the best estimate assumptions set out in Section 5.3 of the Prospectus underlying the Directors' Forecasts was conducted in accordance with the Australian Auditing and Assurance Standard AUS 902 "Review of Financial Reports". Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary. These procedures included discussion with the Directors and management of Bravura and have been undertaken to form an opinion whether anything has come to our attention which causes us to believe that:

- (a) the best estimate assumptions do not provide a reasonable basis for the preparation of the Directors' Forecasts;
- (b) in all material respects, the Directors' Forecasts are not properly prepared on the basis of the best estimate assumptions; and
- (c) the Directors' Forecasts are not presented in accordance with the recognition and measurement principles prescribed in Australian Equivalents to International Financial Reporting Standards and the accounting policies of Bravura disclosed in Section 5.8 of the Prospectus so as to present a view of Bravura which is not inconsistent with our understanding of the Company's past, current and future operations.

The Directors' Forecasts have been prepared by the Directors to provide investors with a guide to the Company's potential future financial performance and cash flows based upon the achievement of certain economic, operating, developmental and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgement involved in the preparation of the Directors' Forecasts. Actual results may vary materially from those forecast and the variation may be materially positive or negative.

Accordingly, investors should have regard to the Risk Factors set out in Section 6 of the Prospectus and the Sensitivity Analysis set out in Section 5.6 of the Prospectus.

Our review of the Directors' Forecasts, that are based on best-estimate assumptions, is substantially less in scope than an audit examination conducted in accordance with Australian Auditing and Assurance Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Directors' Forecasts included in the Prospectus.

Audit Opinion and Review Statement

Audit Opinion on Historical Financial Information

In our opinion, the Audited Historical Financial Information of the Company, comprising the Summary Historical Information, comprising:

- the Income Statement for the period ended 30 June 2006 as set out in Section 5.2 of the Prospectus;
- the Statements of Cash Flows for the period ended 30 June 2006 as set out in Section 5.9 of the Prospectus; and
- applicable notes to the Historical Financial Information as set out in Section 5.8 of the Prospectus

have been prepared in accordance with the measurement and recognition requirements (but not all presentation and disclosure requirements) of applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

Review Statement on Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the Reviewed Historical Financial Information of the Company, comprising:

- the Income Statement for the 6 months ended 31 December 2006 as set out in Section 5.2 of the Prospectus;
- the Statements of Cash Flows for the six months ended 31 December 2006 as set out in Section 5.9 of the Prospectus;
- the Balance Sheet as at 31 December 2006 as set out in Section 5.7 of the Prospectus; and
- applicable notes to the Historical Financial Information as set out in Section 5.8 of the Prospectus,

has not been prepared in accordance with the measurement and recognition requirements (but not all presentation and disclosure requirements) of applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

Review Statement on Pro forma Balance Sheet

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the Pro forma Balance Sheet as set out in Section 5.7 of the Prospectus has not been prepared in accordance with the measurement and recognition requirements (but not all presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro forma transactions set out in Section 5.7 had occurred on that date.

Directors' Forecasts

Based on our review of the Directors' Forecasts as set out in Sections 5.2 and 5.9 of the Prospectus which is not an audit, and based on an investigation of the reasonableness of the Directors' best-estimate assumptions giving rise to the prospective financial information, nothing has come to our attention which causes us to believe that:

- a) the Directors' best estimate assumptions set out in Section 5.3 of the Prospectus do not provide a reasonable basis for the preparation of the Directors' Forecasts; and
- b) the Directors' Forecasts are not properly compiled on the basis of the Directors' best estimate assumptions and are not presented in accordance with the recognition and measurement principles prescribed in Australian Equivalents to International Financial Reporting Standards, and the accounting policies adopted by the Company disclosed in Section 5.8 of the Prospectus as applied in Australia for presenting forecasts in prospectuses.

The underlying assumptions are subject to significant uncertainties and contingencies often outside the control of the Company and the Directors. If events do not occur as assumed, actual results achieved and distributions provided by the Company may vary significantly from the Directors' Forecasts. Accordingly, we do not confirm or guarantee the achievement of the Directors' Forecasts, as future events, by their very nature, are not capable of independent substantiation. Investors should have regard to the Sensitivity Analysis and Risk Factors detailed in Sections 5.6 and 6 of the Prospectus, respectively.

Subsequent Events

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of Bravura subsequent to 31 December 2006 that have come to our attention which would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services Limited and Ernst & Young does not have any interest in the outcome of the offer other than in connection with the preparation of this Report and participation in due diligence procedures. Ernst & Young Transaction Advisory Services Limited and Ernst & Young will receive a professional fee for the preparation of this Report. Ernst & Young is the auditor of the Company.

The Company has agreed to indemnify and hold harmless Ernst & Young Transaction Advisory Services Limited, Ernst & Young and their employees, officers and agents from any claims arising out of misstatement or omission in any material or information supplied by the Company for the purpose of this Report.

Consent to the inclusion of this Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully
Ernst & Young Transaction Advisory Services Limited



Patrick Winter
Director and Representative



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TRANSACTION ADVISORY SERVICES

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**THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE
INDEPENDENT ACCOUNTANT'S REPORT**

PART 2 – FINANCIAL SERVICES GUIDE

Issue date: 15 February 2005 (version 3)

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited (“Ernst & Young Transaction Advisory Services” or “we,” or “us” or “our”) has been engaged to provide general financial product advice in the form of an Independent Accountant’s Report (“Report”) in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide (“FSG”) provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has

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Ernst & Young Transaction Advisory Services Limited
ABN 87 003 599 844 Australian Financial Services Licence No. 240585

Liability limited by a scheme approved under
Professional Standards Legislation.

engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits referred to above, neither Ernst & Young Transaction Advisory Services, nor any of its directors, employees or associated entities receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the Compliance and Legal Manager and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Industry Complaints Service or the Insurance Brokers Disputes Limited for general insurance product advice.

<p>Contacting Ernst & Young Transaction Advisory Services</p> <p>Compliance and Legal Manager Ernst & Young 680 George Street Sydney NSW 2000</p> <p>Telephone: (02) 9248 5555</p>	<p>Contacting the Independent Dispute Resolution Schemes:</p> <p>Financial Industry Complaints Service Limited PO Box 579 – Collins Street West Melbourne VIC 8007 Telephone: 1800 335 405</p> <p>Insurance Brokers Disputes Limited Level 10 99 William Street Melbourne VIC 3000 Telephone 1800 064 169</p>
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This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572



8. Additional information

8.1 Registration

Bravura Solutions is a public company limited by shares incorporated under the Corporations Act on 28 September 2004 and is taken to be registered in New South Wales.

8.2 Company tax status

Bravura Solutions is taxed in Australia as a public company.

8.3 Constitution and rights attaching to Shares

The rights attaching to the Shares are set out in the Constitution as regulated by the Corporations Act, the Listing Rules and general law. The Constitution is in a form common to listed companies in Australia. A summary of the rights attaching to the Shares is set out below. The summary is not intended to be exhaustive and should be read in the context of the full Constitution. For further details, Shareholders should refer to the Constitution, which is available for inspection at the registered office of Bravura Solutions during the Offer Period on request. All Shares are of the same class and rank equally in all respects.

8.3.1 Voting

Voting at a general meeting of Shareholders is either by a show of hands or a poll and is decided by a majority of votes cast by the Shareholders present unless the Corporations Act or Constitution require a special majority. Every holder of Shares present in person, by proxy, attorney or representative (in the case of a company), has one vote on a show of hands and on a poll every member present has one vote for each Share held. Certain restrictions on voting apply to proxies, representatives or attorneys as set out in the Constitution and Corporations Act.

8.3.2 Dividends

Subject to any shares that may in the future be issued with special or preferential rights, the Directors may from time to time determine that a dividend is payable and fix the amount, time for payment and method for payment. The Directors may set aside out of the profits of Bravura Solutions such amounts as they determine as reserves to be applied at the discretion of the Directors for any purpose for which the profits of Bravura Solutions may be properly applied.

8.3.3 Issue of further Shares

The Directors may, subject to any restriction imposed by the Constitution, the Corporations Act and the Listing Rules, allot, or grant options in respect of further Shares on the terms and conditions and for the consideration the Directors thinks fit.

8.3.4 Variation of class rights

Bravura Solutions may with Shareholder approval, reduce or alter its share capital and the rights attaching to Shares in any manner provided for in the Constitution, the Corporations Act or the Listing Rules. An issue of shares of the same class as an existing class of shares will not be considered to constitute a variation of the rights of the holders of shares in the existing class.

8.3.5 Transfer of Shares

Subject to the Constitution, the Corporations Act, the Listing Rules, the ASTC Settlement Rules and any escrow arrangements, Shares are freely transferable. A member may transfer Shares by a market transfer in accordance with any manner required or permitted by the Listing Rules, the Corporations Act or the ASTC Settlement Rules. Shares may also be transferred by an instrument in writing in any usual or common form or in such other form as the Directors may approve or in such form as is required by the ASTC Settlement Rules.

8.3.6 Sale of non-marketable parcels

Under the Constitution, Bravura Solutions is authorised to sell non-marketable parcels of Shares (currently defined in the Listing Rules to be holdings valued at \$500 or less) and remit the proceeds to the holders in accordance with the Constitution.

8.3.7 General meeting and notices

Each member is entitled to receive notice of and, except in certain circumstances, attend and vote at general meetings of Bravura Solutions. Members are also entitled to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act and the Listing Rules. The Directors may convene a general meeting of Shareholders whenever they think fit. Shareholders may also convene a general meeting where entitled to do so under the Corporations Act. The quorum at general meetings is three members. The Chair of the Board will generally preside as chairperson at general meetings of Shareholders.

8.3.8 Winding up

Subject to the rights of holders of any Shares issued on special terms and conditions, of which there are currently none. Shareholders will be entitled, in a winding up, to share in the capital and surplus assets of Bravura Solutions in proportion to the amount paid up on the Shares held by them.

8.3.9 Directors – appointment and removal

The Board is responsible for the overall corporate governance of Bravura Solutions, including establishing its strategic direction and goals for management and monitoring the achievement of these goals.

The Directors may at any time, and the Shareholders at a general meeting may by ordinary resolution, appoint any person as a director either to fill a casual vacancy or as an addition to the Board. The number of directors must not be less than three or more than nine. Directors may appoint any person approved by a majority of other Directors as an alternate director. The Directors may appoint a managing director for such period as they determine and may delegate to that person any of the powers exercisable by them.

At Bravura Solutions' annual general meeting, one-third of all directors (excluding the managing director) must retire from office. Retiring directors may be eligible for re-election at the annual general meeting at which they must retire. A director may not hold office for a continuous period of more than three years or past the third annual general meeting following the Director's appointment, whichever is the longer, without submitting for re-election. The managing director is not subject to the requirement to vacate office every three years.

A Director is not required to hold any Shares.

8.3.10 Directors – voting

Subject to the Constitution, issues at a meeting of directors are decided by a majority of votes of directors present and voting. In the case of equality of votes, the Chairperson has a casting vote.

8.3.11 Officers' indemnity

To the extent permitted by the Corporations Act, Bravura Solutions may indemnify each of its current and former directors, company secretaries or executive officers against liability incurred by the person in that capacity. Except to the extent prevented by the Corporations Act, Bravura Solutions may pay, or agree to pay, a premium for a contract insuring an officer of Bravura Solutions or a related body corporate of Bravura Solutions against any liability incurred by the person in that capacity (except for legal costs) arising out of conduct involving a wilful breach of duty in relation to Bravura Solutions or contravention of sections 182 or 183 of the Corporations Act.

8.3.12 Amendment

Under the Corporations Act, the Constitution can only be amended by a special resolution. A special resolution is a resolution that has been passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

8.4 Share plans

Bravura Solutions has established plans to assist in the attraction, retention and motivation of employees, senior executives and the Directors of Bravura Solutions and its subsidiaries.

These plans are:

- The Performance Rights Plan (PRP) (which is open to executive directors and selected senior executives);
- The Non-Executive Director Share Plan (which applies to non-executive directors); and
- The Employee Share Acquisition Plan.

The Board is also proposing to shortly introduce a new Employee Option Plan (EOP) which will replace the PRP. The new EOP will be open to executive directors and selected senior executives.

The plans contain (and the new EOP will contain) customary and usual terms for dealing with the administration of the plans, variation of the plans and termination and suspension of the plans. A summary of the Board's proposal to replace the PRP with the EOP, and the key terms of the other plans are set out below.

8.4.1 Performance Rights Plan and proposed new Employee Option Plan

Bravura Solutions established the PRP as a long-term incentive scheme, administered by the Board, under which eligible employees selected by the Board could accept a specified grant of Performance Rights (PR). However, as indicated above, Bravura Solutions is proposing to establish a new EOP, that will replace the PRP.

With the establishment of the EOP and, subject to final Board approval, Bravura Solutions is proposing to cancel all of the PRs that are currently on issue and make a cancellation payment made to each employee who currently holds PRs reflecting the employee's pro-rata entitlement under the PRP. It is expected that the total of the cancellation payments to the current PR holders will be in the region of \$167,000.

Bravura Solutions intends to establish the new EOP within the next month. The Board is currently in the process of formulating and adopting rules for the EOP. It is proposed that selected employees invited in writing by the Board will be eligible to participate. It is expected that the Board will annually consider offering options under the EOP. However, the making of offers under the EOP will be at the Board's discretion and the terms of offers may vary from year to year and in any particular year no offers may be made under the EOP at all.

Subject to compliance with the Corporations Act and the Listing Rules, the Board intends to shortly offer approximately five million options under the EOP to approximately 40 selected employees to be determined by the Board (2007 Options). Subject to the Board's final determination, it is proposed that:

- Subject to the satisfaction of a performance condition, the 2007 Options will vest in equal instalments over a three year period (with 33.33% to vest on 15 January 2008, 33.33% to vest on 15 January 2009 and 33.33% to vest on 15 January 2010);
- The performance condition will be that all of the options due to vest on a particular vesting date will vest if Bravura Solutions' total shareholder return (TSR) equals or exceeds the ASX/S&P300 Accumulation Index on the 31 December anniversary immediately preceding that vesting date. If the performance condition is not met for a particular vesting date, 50% of the options due to vest on that vesting date will lapse and the remaining 50% will remain available up until the last exercise date and will be able to be exercised if Bravura Solutions' accumulated TSR exceeds the ASX/S&P300 Accumulation Index at any time between the first exercise date and the last exercise date;
- Vested 2007 Options will have a first exercise date of 15 January 2008 and a last exercise date of 15 January 2012;
- The 2007 Options will be granted to the selected employees for no consideration payable by them at the time of grant;
- The per option exercise price of the 2007 Options will be a price that is 15% above the price of the Shares on the date of grant of the 2007 Options; and
- Upon the exercise of options by an employee in accordance with the EOP, Bravura Solutions will be required to procure the provision of the relevant number of shares to the employee (whether by way of a new issue or on-market purchase).

Bravura Solutions will, in accordance with its disclosure obligations, make the necessary announcements to ASX upon the establishment of the EOP and the grant of the 2007 Options.

8.4.2 Non-executive Director Share Plan

At the discretion of the Board, all current and future non-executive directors may sacrifice a percentage of their annual director's fees, to be allocated Shares under the Non-Executive Director Share Plan (NED Plan).

Under the NED Plan, a non-executive director may be permitted by the Board to sacrifice up to 100% of the director's annual director's fee in any year under the NED Plan. Although the NED Plan has been made available to non-executive directors, no non-executive director has elected to participate in the NED Plan.

The grant of Shares under the NED Plan may be subject to the satisfaction of performance conditions.

Non-executive directors will not be able to sell or otherwise dispose of the Shares acquired under the NED Plan until the earliest of:

- 10 years after the Board has accepted an application by a non-executive director to participate in the NED Plan;
- The non-executive director ceasing to be a director or employed by the Group;
- A change of control event in relation to Bravura Solutions; or
- The non-executive director applying to the Board to release the restrictions on the Shares and the Board determining that any or all restrictions applying to the Shares ceases.

Shares will either be issued by Bravura Solutions or be purchased on-market at the prevailing market price of Shares. If new Shares are issued, it will be at a price equal to the volume weighted average price of Shares on ASX on the five trading days up to and including the allocation date.

8.4.3 Employee Share Acquisition Plan

Under the Employee Share Acquisition Plan (ESAP), the Board may invite eligible employees of the Group to acquire Shares on terms and conditions determined by the Board.

In general, permanent full or part-time employees or a director of the Group, or any other person who is determined by the Board as eligible for the purposes of the ESAP, are eligible to acquire Shares under the ESAP on the terms and conditions determined by the Board.

Unless the Board determines otherwise, Shares acquired under the ESAP cannot be disposed of, dealt with or have a security interest granted over them until the earlier of three years from the date of acquisition and cessation of employment with the Group.

8.4.4 Dividend Reinvestment Plan

The Board has approved but not yet activated a dividend reinvestment plan (DRP) that will provide Shareholders with the choice of reinvesting some or all of their dividends in new Shares rather than receiving those dividends in cash.

The main features of the DRP are:

8.4.4.1 Participation

Shareholders may elect to reinvest the dividends on some or all of their Shares. If a Shareholder elects full participation in the DRP, then all Shares held by that Shareholder, including all Shares subsequently acquired by that Shareholder will participate in the DRP. If a Shareholder disposes of some of their Shares, then their remaining Shares will continue to participate in the DRP.

If a Shareholder elects partial participation, only the number of Shares that they have nominated will participate in the DRP. If such a Shareholder disposes of part of their shareholding, then the Shares disposed of are deemed not to be participating Shares. If the number of Shares disposed of is more than the number of that Shareholder's Shares not participating in the DRP, then the disposal is deemed to include all of the Shares not participating in the DRP and the balance (if any) will be attributed to the participating Shares.

8.4.4.2 Eligibility

Shareholders whose registered address is in Australia may participate in the DRP. Shareholders whose registered address is outside Australia may not participate in the DRP unless the Board is satisfied that the issue of Shares to them under the DRP is lawful and practicable. The Board is entitled to make the final determination as to whether any Shareholder may participate in the DRP.

8.4.4.3 Allocation Price of Shares

Shares will be issued under the DRP at the average of the daily volume weighted average market price of all Shares sold on ASX (excluding trades otherwise than in the ordinary course of trading) during the five days leading up to and including the record date for the dividend entitlement, less a percentage discount (if any) determined by the Board from time to time (Allocation Price).

8.4.4.4 Entitlement

The number of Shares to be issued to a participant in the DRP at the Allocation Price will be determined by dividing the amount available for reinvestment on behalf of that participant by the Allocation Price and rounding that number up or down to the nearest whole number.

8.4.4.5 Shares

All Shares issued under the DRP will rank equally with existing Shares unless the Board determines that the Shares issued under the DRP will not participate in the next dividend payment or any other offer of Shares open at the time that the Shares are issued under the DRP.

8.4.4.6 Variation, suspension and termination by the Board

The DRP may be varied, suspended or terminated by the Board at any time.

8.4.4.7 Costs

No brokerage, commission or other transaction costs are payable by participants in respect of Shares allocated under the DRP. No stamp or other duties are payable under present law by participants in respect of Shares allocated under the DRP.

8.4.4.8 Quotation

Bravura Solutions will apply to ASX for quotation of Shares issued under the DRP.

8.5 Material contracts

8.5.1 Master Licence and Services Agreement and related agreements

Under a Master Licence and Services Agreement (Agreement), The Bank of New York Europe Limited (Bank of New York) has been granted a perpetual non-exclusive licence (Licence) to use the Rufus GTA software and any enhancements to the software (Software). The Agreement allows Bank of New York to grant its customers the right to access the Software, though, generally, only if the Bank of New York enters into licence agreements with such customers containing use restrictions at least as protective to Bravura Solutions as the terms of the Agreement.

In addition to granting the Licence, under the Agreement, Bravura Solutions is required to provide certain services to the Bank of New York (and its customers) relating to the Software for at least five years from the effective date of the Agreement (and has no right to elect to stop providing such services until 10 years after the effective date). In return for such services, the Bank of New York must pay fees, for the term of the contract.

Both parties have standard rights of termination in instances where the other party commits a material breach that is not remedied, if the other party fails to pay amounts due after notice of default or if the other party is insolvent. The Licence shall survive termination unless the Agreement is terminated for a material breach or material licence breach.

The Bank of New York and Bravura Solutions have also entered into a Transitional Services Agreement under which the Bank of New York is required to provide (for a period not exceeding 18 months from completion of the Rufus acquisition) certain services to assist Bravura Solutions with the transition of the Rufus business that Bravura Solutions acquired from the Bank of New York (which acquisition is discussed in section 3.3.1). Bravura Solutions is entitled to terminate a provision of a particular transition service by giving written notice of between one to six months (depending on the particular service). Termination rights for material breach of the Transitional Services Agreement apply for both parties.

8.5.2 Standard terms and conditions of customer contracts – general

While the Group has standard terms and conditions for its business, its contracts are commonly negotiated and customers may require their own standard terms and conditions. The Group's standard contracts are, in general, perpetual (subject to an agreed term of the contract (where relevant) and termination rights). Each acquisition undertaken by Bravura Solutions (including CSC, Syscorp, Tacit, Essential, AB Prodata and Rufus) has bought various approaches to documenting the licence grant and services provided by Bravura Solutions, each company historically having its own standard terms and conditions. Moving forward, where such contracts come up for renewal, Bravura Solutions will seek their transition over to the Group's standard terms and conditions.

The key terms on which the Group generally provides its services to its key customers are set out in this section, with material variations identified.

8.5.2.1 Standard terms and conditions of customer contracts – software application licence and maintenance

Under the majority of its software application licence and maintenance agreements, the Group provides a licence of its software applications, maintenance support and any updates to the software applications on the following general terms:

- The licence grant is personal, non-exclusive and non-transferable. The licence is for a right to use the software application in accordance with the licence terms and related documentation and is for use for the authorised purpose located within a territory (defined by country). Installation sites are defined within the territory to ensure that the Group knows at all times where its software application physically resides. Customer specific commercial terms form an attachment to the general terms and conditions, including a description of the software application and standard support terms including service levels.
- Only the Group may undertake modifications to the software application. The Group retains all of the intellectual property and other rights in the software application and related documentation. Any modifications made to the software application are the exclusive property of the Group and the customer assigns all rights to the modifications to the Group, which the Group may incorporate into its base version of the software application and license to any other customer.
- The customer is entitled to receive upgrades to the software application during the term of the agreement as part of support services.
- The Group charges an initial licence fee and then annual licence fees for the licence to use the software application and maintenance support services in relation to it.
- The agreement continues until the earlier of termination or expiration of the agreed term of the agreement. The Group and the customer have rights of termination if there is an unremedied breach of a material obligation under the agreement. In addition, either party have a right to cancel support services (and the licence grant) following expiration of the term or if no notice is provided the term of the agreement automatically renews for a further 12 month period. The Group also has rights of immediate termination if the customer is in breach of a licence condition.

8.5.2.2 Standard terms and conditions of customer contracts – Professional Services

Under the majority of Professional Services agreements, the Group provides services such as consulting, software application customisation, implementation, support and training on the following general terms:

- The Group agrees to perform the Professional Services set out in the statement of work forming a schedule to each agreement. The statement of work also sets out the obligations of the customer. Deliverables may be subject to acceptance testing and any deliverables that pass the acceptance testing must be accepted by the customer and in certain circumstances acceptance may be deemed.
- The Group retains all of the intellectual property and other rights in the intellectual property used or created while performing the Professional Services. If necessary, it will grant a perpetual, non-exclusive and non-transferable licence to use the intellectual property owned by the Group as part of the deliverables under the agreement.
- The Group and the customer have rights of termination if there is an unremedied material breach of the agreement. The statement of work may also set out specific termination rights, such as either party being able to terminate without cause on prescribed notice and payment of agreed fees. A minimum term of the agreement may also be set out in the statement of works.

Fees are generally charged on a time and materials basis, based on hourly rates advised each year by the Group, although fixed price fees are occasionally charged.

8.5.2.3 Material variations to the standard terms and conditions of customer contracts

In addition to its base version of the software applications, the Group may also be engaged by a customer to develop customised modifications to the base version of the software applications. Customised modifications to the base application are usually exclusively licenced where the modifications can be easily quarantined from the base software application and are rendered unusable by the other licensees to the base version of the software application because the modifications are so customer specific. The modifications are supported separately and attract additional support fees. On rare occasions where customers have invested greatly to receive advice to gain competitive advantage in the market place, the Group will provide an exclusive licence for a defined period of time until such modifications can be incorporated back into the then base version of the software application available for all licensees.

Customers may require the Group to enter into an escrow agreement that enable access to the source code of the base version of the software licensed applications on certain trigger events occurring. In general, the escrow agent is required to release the escrowed material to the customer if the Group ceases to carry on business, is insolvent or ceases to maintain or support the application in breach of the agreement. The customer's use of the escrowed material is limited to maintaining or correcting the licensed application consistent with the Group's intellectual property rights.

Some material contracts contain liquidated damages provisions, payable by the Group if it incurs delays in respect of certain events.

Some customer contracts acquired as part of the Rufus and AB Prodata acquisitions provide for termination without cause (with varying notice periods). However, Bravura Solutions' strong customer relationships and the nature of its business mitigate against the risk of early termination.

8.5.2.4 Perpetual and Sonata development agreement

On 14 March 2006, Bravura Solutions and Perpetual Services Pty Limited (Perpetual) entered into an information technology Master Agreement and related IT Supply Agreement under which Bravura Solutions is to develop and licence to Perpetual the Sonata Wrap unit registry application, together with associated application and documentation and installation and maintenance service.

On 16 February 2007, Perpetual and Bravura Solutions agreed to amend the IT Supply Agreement to meet a 1 September 2007 go live deadline. This agreement also requires Bravura Solutions to pay certain costs should Perpetual not be operational on the Bravura Solutions unit registry application by that date.

Perpetual may terminate the agreement if Bravura Solutions does not remedy a breach after asked to do so, undergoes a change of control, or there are events indicating insolvency. Perpetual also has a right to terminate the IT Supply Agreement if Bravura Solutions does not meet key milestones for functionality and other deliverables.

8.5.3 Finance facilities

Bravura Solutions Limited currently has debt facilities as set out below.

8.5.3.1 BOS International (Australia) Limited

Acquisition facility

A floating rate term acquisition facility of up to \$35 million which expires on 30 November 2011, utilised by Bravura Solutions Limited for the purchase of the Rufus software business and to be further utilised for approved acquisitions.

The outstanding amounts owing in relation to this facility are to be repaid in semi-annual instalments commencing 30 June 2008.

Working capital facility

A floating rate revolving working capital facility of up to \$15 million which expires on 30 November 2011, used to assist with the Group's working capital requirements and for other general corporate requirements in the form of cash advances, letters of credit or bank guarantees. Part of this facility may also be used to fund permitted acquisitions.

Each facility may be drawn in Australian Dollars or Pounds Sterling, subject to draws in Pound Sterling being proportionate to UK cashflows.

Security

The facilities are secured by a number of deeds of charge and mortgage granted by Bravura Solutions in favour of BOS International (Australia) Limited. Various subsidiaries of Bravura Solutions also provided deeds of charge and mortgage and interlocking guarantees.

8.5.3.2 National Australia Bank Limited

Transactional facilities

National Australia Bank Limited provides transactional facilities with a combined limit of \$18,660,050 at a fixed interest rate. The facilities consist of leasing facilities, a guarantee facility and a credit card facility.

The facilities were reviewed in October 2006 and were extended thereafter to January 2007 and are presently being continued on a holdover basis.

Security

National Australia Bank Limited has a goods mortgage over the assets the subject of the facility and security over a term deposit to secure outstanding bank guarantees.

8.5.4 Restriction Agreements

Each of the Management Shareholders and Bonjour Limited have entered into voluntary escrow arrangements with Bravura Solutions under which a certain number of their Shares (representing on aggregate approximately 46,691,864 ordinary shares in Bravura Solutions) cannot be dealt with until the date on which Bravura Solutions releases to ASX its preliminary final report for the financial year ending 30 June 2007. Bravura Solutions may release some or all of the Shares subject to escrow from the dealing and encumbering restrictions before the escrow period has expired. As at the time of the IPO, Bravura Solutions intended to allow the Management Shareholders and Bonjour Limited to encumber their restricted Shares in favour of providers of a margin loan up to 40% of the value of the Shares.

Management Shareholders and Bonjour Limited have indicated that they wish to take up all of their respective Entitlements and that they may need to obtain margin loans to finance their participation in the Offer and encumber their restricted Shares in favour of the margin loan providers. New Shares issued under the Offer to Management Shareholders and Bonjour Limited will not be subject to the escrow arrangements.

The restrictions will only cease to apply in the event that:

- A takeover bid is made for all Shares and holders of at least half of the Shares not subject to the restrictions have accepted the offer under the takeover bid; or
- A scheme of arrangement relating to Shares becomes effective.

The restrictions do not affect the voting rights attached to the Shares the subject of the agreements unless the holder is in breach of the agreement.

8.5.5 Executive Service Agreements

Bravura Solutions has entered into Executive Service Agreements with both Iain Dunstan as Group Chief Executive Officer and Managing Director and Simon Woodfull as Chief Executive and Director – Global Operations. Each agreement is for a term of until at least 30 June 2009, with a non-compete provision restraining the executive from competing or being associated with an entity which competes with the business of Bravura Solutions for 12 months after termination. Effective 1 January 2007, Bravura Solutions will provide an annual remuneration package of \$500,000 for Iain Dunstan and \$400,000 for Simon Woodfull plus superannuation contributions. In addition to the remuneration package, Iain Dunstan and Simon Woodfull are eligible to participate in a Short-Term Incentive Plan (STIP) equal to 75% of their fixed remuneration subject to certain conditions and financial KPIs being achieved as follows:

Financial KPI achieved	STIP rewards earned
Less than 90% of target	No STIP reward
90% of target	50% of STIP
95% of target	60% of STIP
100% of target	100% of STIP
Exceed 100% of target	Between 100% and uncapped % of target STIP rewards earned (calculated on a straight line basis)

Where the financial KPI achieved is two times or more of the target, the STIP entitlement will be held for 12 months and be conditional on achieving 100% or more of the next financial year's financial KPI target. The Remuneration and Nominations Committee retains the discretion to pay any STI above this arrangement.

The remuneration is reviewed annually. The agreement is subject to termination provisions that provide for 12 months' notice of termination by the executive and 12 months' notice of termination by Bravura Solutions.

8.5.6 Offer Management Agreement

On or about the date of this Prospectus, Bravura Solutions and UBS will enter into an agreement (the Offer Management Agreement) in relation to the Offer. UBS agrees to act as lead manager on the terms and conditions of the Offer Management Agreement.

8.5.6.1 Fees

Bravura Solutions will pay to UBS fees in relation to the Offer Management Agreement equal to 2.67% of the total proceeds of the Offer (subject to a minimum of \$1.2 million), plus various incidental and out of pocket expenses reasonably incurred by UBS.

8.5.6.2 Representations, warranties and undertakings

The Offer Management Agreement contains various representations and warranties, and imposes various obligations on Bravura Solutions including representations and warranties relating to certain matters such as power to enter into the Offer Management Agreement, corporate authority and approval as well as undertakings that this Prospectus complies with the Corporations Act and the ASX Listing Rules. Bravura Solutions also gives a number of further undertakings, including that it will conduct its business in the ordinary course until the settlement date of the New Shares under the Offer, and it will not allot further securities before the expiry of 90 days after the Allotment date or dispose of any material part of its business or property or make any material statements concerning the Offer without first obtaining the consent of UBS.

8.5.6.3 Indemnity

Subject to certain exclusions relating to, among other things, fraud, recklessness, wilful misconduct or negligence by an indemnified party, Bravura Solutions has agreed to indemnify UBS and certain affiliated parties for losses incurred directly or indirectly in connection with the Offer. Liability is not imposed or may be reduced where the loss has been caused or contributed to by fraud, recklessness, wilful misconduct or negligence of UBS or an indemnified party.

8.5.6.4 Termination events

UBS may terminate its obligations under the Offer Management Agreement by notice to Bravura Solutions at any time after UBS becomes aware of the occurrence of any of a number of customary termination events. These include:

- A specified fall in the S&P/ASX200 Index;
- ASX refusal to admit Bravura Solutions' New Shares to the ASX official list;
- An ASIC stop order;
- Any person withdraws their consent to be named in this Prospectus;
- Certain material breaches of the Offer Management Agreement;
- Statements in this Prospectus being or becoming misleading or deceptive or a material omission;
- Certain material disruptions to financial markets;
- Bravura Solutions withdrawing this Prospectus or the Offer; and
- Certain specified events (eg. a supplementary prospectus being required) if the event is likely to have a material adverse effect on the outcome of the Offer or the likely price at which New Shares will trade on ASX.

8.6 Interests of Directors

8.6.1 Interests in securities

The following table lists the securities held by or on behalf of each Director as at the Prospectus Date:

Director	Number of Shares held as at the Prospectus Date	Number of Options
Iain Dunstan	24,750,367 ¹	2,000,000
James MacKenzie	523,759	Nil
Chris Ryan	7,648,226 ¹	Nil
Robert Summerton	523,759	Nil
Simon Woodfull	12,447,879 ¹	2,000,000

Note: 1. Refer to section 8.5.2.6 for information in relation to the voluntary escrow restrictions applicable to these Shares.

The options listed in the table above have been issued to Iain Dunstan and Simon Woodfull on the following terms.

8.6.1.1 Initial vesting hurdle

No options will vest if the EBIT for the Group is less than \$12 million for the financial year ending 30 June 2007.

8.6.1.2 Tranches

If the initial vesting hurdle has been achieved, one third of the options will vest on the first day of each financial year starting 1 July 2007.

8.6.1.3 Performance targets

For each tranche, 75% of the options may be exercised if Bravura Solutions' Share price has increased 15% annually from the date of the IPO (28 June 2006), on a flat measure. The 25% balance of each tranche may be exercised if Bravura Solutions' Share price has outperformed the Small Cap Industrial Index by 5% for the year on a cumulative basis, by reference to the IPO offer price.

The tranches are summarised below:

Tranche	Year	Share price performance target (\$)	Index performance target (%)
1	Financial year ending 30 June 2007	1.29	5
2	Financial year ending 30 June 2008	1.46	10
3	Financial year ending 30 June 2009	1.62	15

The options for each tranche lapse if the performance targets are not met for the relevant tranche.

8.6.1.4 Target calculation

The Share price performance target is achieved if the Share price target is achieved on an average basis over the relevant financial year for the tranche.

The index performance target is achieved if Bravura Solutions is performing at that target on the last day of the relevant financial year for the tranche.

8.6.1.5 Exercise price

The exercise price for all options is \$1.288 per option.

8.6.1.6 Reconstruction

Each option is exercisable into one Share. The terms of the options contain provisions to adjust the number of options and the exercise price of the options to take into account the effect of any capital reconstruction, rights issue or bonus issue of Bravura Solutions.

8.6.2 Remuneration of Non-Executive Directors

The maximum aggregate remuneration payable to non-executive directors is \$600,000, to be allocated amongst non-executive directors as determined by the Board. This amount can only be increased with Shareholder approval in accordance with the Listing Rules and the Constitution.

The Constitution further provides that non-executive directors may be reimbursed for expenses properly incurred as a director in connection with the affairs of Bravura Solutions.

The Directors also have the benefit of deeds of indemnity and insurance policies maintained by Bravura Solutions.

8.6.3 No other interests of Directors

Other than as set out in this section 8.6 or elsewhere in this Prospectus:

- No Director or proposed director has, or has had at any time in the two years before the date of this Prospectus, any interests:
 - in the formation or promotion of Bravura Solutions;
 - in property acquired or proposed to be acquired by Bravura Solutions in connection with their formation or promotion of the Offer; or
 - the Offer.
- No amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to any Director:
 - to induce him or her to become, or to qualify as, a Director; or
 - for services which he has provided in connection with either the formation or promotion of Bravura Solutions or the Offer.

8.7 Related party transactions

Chris Ryan is the Chairman of Bravura Solutions and has the interests in Shares described at section 8.6.1. He is also Chief Executive Officer and a shareholder in Investorlink Corporate Limited, which has received payments for advisory services provided to Bravura Solutions from time to time (including services in connection with the IPO).

Robert Summerton is a consultant to the law firm Summerton de Vere that have received payments for legal services provided to Bravura Solutions from time to time.

8.8 Interests of advisers

UBS AG, Australia Branch has acted as Lead Manager in relation to the Offer. UBS is entitled to fees set out in the summary of the Offer Management Agreement in section 8.5.4. UBS AG, Australia Branch has also been paid fees of approximately \$1.6 million for services in connection with the IPO as corporate adviser.

Minter Ellison has acted as solicitor in relation to the Offer and has performed work in relation to the due diligence enquiries on legal matters. Minter Ellison has been paid, or is entitled to be paid approximately \$250,000 for services in relation to the Offer to the date of this Prospectus. Further amounts may be paid to Minter Ellison in accordance with its time-based charge-out rates.

Ernst & Young Transaction Advisory Services Limited has prepared the Independent Accountant's Report included in section 7 of this Prospectus. Ernst & Young Transaction Advisory Services Limited has also performed due diligence enquiries in relation to financial accounting matters. Ernst & Young Transaction Advisory Services Limited has been paid or is entitled to be paid approximately \$300,000 for services in connection with the Offer to the date of this Prospectus. Ernst & Young Transaction Advisory Services Limited also provided services in connection with the IPO and IPO Prospectus for which it has been paid fees of approximately \$325,000. Further amounts may be paid to Ernst & Young Transaction Advisory Services Limited in accordance with its time-based charge-out rates.

WMS Chartered Accountants has been paid or is entitled to be paid approximately \$159,000 for services in connection with the Offer to the date of this Prospectus for work performed as Accountant and Taxation Adviser. WMS Chartered Accountants also provided similar services in connection with the IPO and IPO Prospectus for which it has been paid fees of approximately \$130,000. Further amounts may be paid to WMS Chartered Accountants in accordance with its time-based charge-out rates.

Investorlink Corporate Limited was paid fees of approximately \$250,000 for services in connection with the IPO for work performed as corporate adviser.

These fees and other fees in this Prospectus are shown exclusive of GST. Other than as set out in this section or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or in the last two years before the date of this Prospectus has had, any interests:

- In the formation or promotion of Bravura Solutions;
- In property acquired or proposed to be acquired by Bravura Solutions in connection with its formation or promotion of the Offer; or
- The Offer.

8.9 Consents and disclaimers of responsibility

The following entities have given and have not, before the date of this Prospectus, withdrawn their consent to:

- Be named in this Prospectus in the form and context in which they are named;
- The inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this Prospectus; and
- The inclusion of other statements in this Prospectus which are based on or referable to statements made in those reports, or which are based on or referable to other statements made by those entities in the form and context in which they are included:

Name of entity	Named as	Reports
Ernst & Young Transaction Advisory Services Limited	Independent Accountant	Independent Accountant's Report set out in section 7
Ernst & Young	Auditor	References to audited and reviewed accounts
Celent		References to Celent and statements attributed to Celent in section 3.14.2

Each of the above entities:

- Does not make, or purport to make, any statement in this Prospectus other than those statements referred to above and as consented to by that person; and
- To the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than as described in this section with the entity's consent.

Additionally, the following entities have given and have not, before the date of this Prospectus, withdrawn their consent to be named in this Prospectus in the form and context in which they are named:

Name of entity	Named as
UBS	Lead Manager
WMS Chartered Accountants	Accountant and Taxation Adviser
Minter Ellison	Legal Adviser
Computershare Investor Services Pty Limited	Registry

Each of the above persons:

- Does not make, or purport to make, any statement in this Prospectus; and
- To the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus.

8.10 Costs of the Offer

The total expenses connected with the Offer are estimated to be approximately \$2.5 million and will be paid out of the Offer Proceeds.

8.11 Litigation and claims

To the knowledge of the Directors, there is no litigation of a material nature pending or threatened that may significantly affect Bravura Solutions.

8.12 Statement of Directors

The Directors report that after due enquiries by them, in their opinion since the date of the financial statements in section 5, there have not been any circumstances that have arisen that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of Bravura Solutions other than as disclosed in this Prospectus.

8.13 Consent to lodgement

Each Director has consented to the lodgement of this Prospectus with ASIC in accordance with section 720 of the Corporations Act.



9. Glossary

Term	Definition
A\$ or \$	Australian dollars
AB Prodata	AB Prodata S.a.r.l., a Luxembourg company
Acquisition Facility	\$35 million term loan facility provided by BOS International as referred to in section 8.5.3.1
AIFRS	Australian Equivalents to International Financial Reporting Standards
Allfunds Bank	Madrid based distribution platform owned by Bank Santander
Allotment	The allotment and issue of New Shares to investors under the Offer
Applicant	A person who makes an Application for New Shares under this Prospectus
Application	An application to subscribe for New Shares under this Prospectus
Application Monies	Monies received from Applicants, which, in the case of a particular Applicant, shall be the Offer Price multiplied by the number of New Shares applied for in the Applicant's Application
Application Monies Account	The account established and kept by Bravura Solutions for the purpose of depositing the Application Monies
APRA	Australian Prudential Regulation Authority
ASFA	Association of Superannuation Funds of Australia Ltd
ASIC	Australian Securities and Investments Commission
ASIC Act	Australian Securities and Investments Commission Act 2001 (Cth)
ASTC Settlement Rules	The business rules of ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532)
ASX	ASX Limited (ABN 98 008 624 691) or the stock market conducted by ASX Limited, as the context requires
ASX Guidelines	The Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council
ATO	Australian Taxation Office
Babel Integrator	A Wealth Management Application which is used to communicate between buy and sell side institutions, infrastructure platforms and directly between counterparties products (see section 3.7.6)
Bank of New York	The Bank of New York Europe Limited
Board	The Board of Directors of Bravura Solutions
BPO	Business process outsourcing
Bravura Solutions	Bravura Solutions Limited (ABN 15 111 148 826)
Broker	Any ASX member
Business Day	Has the same meaning as in the Listing Rules
Celent	Celent LLC, a US company
CEO	Chief Executive Officer
CHESS	Clearing House Electronic Sub-register System
Choice Legislation	Superannuation Legislation Amendment (Choice of Superannuation Funds) Act 2004 (Cth)

Term	Definition
CIM	Complete Investment Manager, a Wealth Management Application which supports a wide range of retail financial products including individually managed accounts, self managed superannuation funds, private bank and private client products (see section 3.2)
Clearstream	A European supplier of post-trading services, that is part of the Deutsche Börse Group
Constitution	The constitution of Bravura Solutions
Corporations Act	Corporations Act 2001 (Cth)
CSC	Computer Sciences Corporation Australia Pty Limited (ACN 008 641 414)
Directors	Directors of Bravura Solutions as disclosed in this Prospectus
DRP	Dividend reinvestment plan
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Eligible Shareholder	Shareholders on the register on the Record Date with registered addresses in Australia or New Zealand
EMEA	Europe, the Middle East and Africa
EMX	EMXCo, a wholly owned subsidiary of Euroclear based in the UK that operates the EMX Message System, which is an electronic messaging solution for automating the purchase, sale, valuation and settlement of unitised funds
Ensemble	An eCommerce application that is a delivery solution that enables disparate record keeping systems to be brought together under one application (see section 3.7.2)
Ensemble 5	An eCommerce application that will integrate most of the functionality of Ensemble, eTalis and ePASS (see section 3.7.2)
Entitlement	1 New Share for every 6 Existing Shares held on the Record Date
Entitlement and Acceptance Form	An Entitlement and Acceptance Form included in or accompanying this Prospectus
EOP	Employee Option Plan (referred to in section 8.4)
ePASS	An eCommerce application that provides a comprehensive range of online services for requesting or delivering superannuation solutions over the internet (see section 3.6.6)
ESAP	Employee Share Acquisition Plan
Escrow Period	The period ending on the announcement of the financial results for the year ending 30 June 2007
Escrowed Shares	Shares which are subject to the voluntary escrow agreements of the Management Shareholders and Bonjour Limited referred to in section 8.5.4
Essential	Essential Computer Systems Pty Ltd (renamed to Bravura eCommerce Solutions Pty Ltd)
eTalis	An eCommerce application that is a delivery solution tailored to the Talisman suite of products (see section 3.7.2)
Euroclear	A settlement system for securities transactions
Executive Service Agreements	Agreements with key executives that include a non-compete provision and remuneration details. Refer to section 8.5.5 for further information
Exemption Notice	Securities Act (Overseas Companies) Exemption Notice 2002 (NZ)

Term	Definition
Existing Shares	Shares on issue as at the Record Date
Expiry Date	6 April 2008
External Provider	External third-party supplier of Wealth Management Applications
FIX	Financial Information Exchange (FIX) protocol, a messaging standard developed specifically for the real-time electronic exchange of securities transactions. FIX is a public-domain specification owned and maintained by FIX Protocol, Ltd
Forecast	Forecast by the Directors of Bravura Solutions
FY2006	Financial year ended 30 June 2006
FY2007	Financial year ending 30 June 2007
Group	Bravura Solutions Limited and its subsidiaries
HIN	Holder Identification Number
IFSA	Investment and Financial Services Association
Industry Participants	Industry participants in the Wealth Management Industry
Ineligible Shareholders	Shareholders on the register on the Record Date without registered addresses in Australia or New Zealand
IPO	Initial public offering
IPO Prospectus	Bravura Solutions' Initial Public Offer document dated 30 May 2006
ISAs	Individual Savings Accounts
IT&T	Information technology and telecommunications
KiwiSaver	The proposed voluntary workplace savings scheme for which all New Zealand taxpayers are eligible
Lead Manager	UBS
Listing Rules	Listing Rules of ASX
Maintenance and Support	Includes the maintenance, support, and updates of Wealth Management Applications (see section 3.6.2)
Management	Management of the Group
Management Shareholders	Chris Ryan, Iain Dunstan, Simon Woodfull and/or entities (including Shiamist Pty Ltd (ACN 111 022 934), Gardun Pty Ltd (ACN 111 019 393) and Proserv (Qld) Pty Ltd (ACN 060 367 428)) through which they hold interests in Shares
Master Licence and Services Agreement	Means the master licence and services agreement between Bravura Solutions and Bank of New York referred to in section 8.5.1
NED Plan	Non-Executive Director Share Plan referred to in section 8.4.2
New Shares	Shares in Bravura Solutions issued under the Offer
NPAT	Net Profit After Tax
NSCC	National Securities Clearing Corporation (NSCC), a provider of centralised clearance, settlement and information services for certain financial product transactions in the US and outside of the US where, for example, those transactions involve US mutual funds
NZ	New Zealand

Term	Definition
Offer	The offer of New Shares made pursuant to this Prospectus
Offer Closing Date	5.00pm on Wednesday 4 April 2007
Offer Management Agreement	The agreement between Bravura Solutions and the Lead Manager in respect of the management of the Offer. Refer to section 8.5.6 for a summary of the Offer Management Agreement
Offer Opening Date	Thursday 22 March 2007
Offer Period	The period between the Offer Opening Date and the Offer Closing Date
Offer Price	\$2.10 per Share being the price that all Applicants must pay per New Share
Offer Proceeds	Up to \$42.9 million raised in the Offer
Official List	The official list of entities that ASX has admitted and not removed
Old-Age Dependency Ratio	The number of persons 65 years and over per one hundred persons 15 to 64 years
Oversubscription	Additional New Shares over and above an Eligible Shareholders' Entitlement
Oversubscription Applications	An application to apply for additional New Shares over and above an Eligible Shareholders' Entitlement
PR	Performance Rights
Privacy Act	Privacy Act 1988 (Cth)
Professional Services	Services provided to the Wealth Management Industry including consulting services, applications development and implementation, maintenance, support, training and business process outsource partnering (see section 3.6.1)
Prospectus	This prospectus document dated 7 March 2007 and any supplementary or replacement prospectus in relation to this prospectus
Prospectus Date	Wednesday 7 March 2007
PRP	Performance Rights Plan referred to in section 8.4.1
Qualified Collective Investment Vehicles	Individual and collective investments, domestic and offshore investments
R&D	Research and development
Record Date	5.00pm Friday 16 March 2007
Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277)
Rufus	Rufus transfer agency business and Rufus GTA software
Rufus GTA	A suite of applications designed and built specifically to provide transfer agency administration of collective investment instruments throughout Europe (see section 3.7.5)
SAS	SuperAdminSystem
Securities Act	United States Securities Act of 1933
Share or Shares	A fully paid ordinary share in Bravura Solutions
Shareholder	A person who holds shares in Bravura Solutions
Software Developers Consultative Group	A group consisting of ATO members and representatives of software developers established to be a forum for communication between these parties

Term	Definition
Sonata	The next generation of Bravura Solutions' Wealth Management Applications (see section 3.6.8)
SRN	Securityholder Reference Number
State Super Financial Services	State Super Financial Services Australia Limited (ACN 003 742 756)
STP	Straight Through Processing
Superannuation Funds Working Group	A group consisting of ATO members and representatives of superannuation funds to improve the superannuation fund managers' understanding of all aspects of superannuation administration
SuperB	A superannuation/pension administration Wealth Management Application acquired by Bravura Solutions acquired as part of the CSC acquisition (see section 3.7.4)
Superpartners	Superpartners Pty Ltd
SWIFT	Society for Worldwide Interbank Financial Telecommunication, which supplies secure messaging services and interface software to wholesale financial clients
Syscorp	Syscorp Pty Ltd (renamed to Bravura Portfolio Solutions Pty Ltd)
Tacit	The majority of business assets of Tacit Group Limited
TalisLife	A module of Talisman (see section 3.7.3)
Talisman	A software application for the administration of personal retirement savings, investment and risk products (see section 3.7.3)
TalisPensions	A module of Talisman (see section 3.7.3)
TalisTrust	A module of Talisman (see section 3.7.3)
Total Fixed Remuneration	Base salary plus superannuation
TSR	Total Shareholder Return
UBS or Lead Manager	UBS AG, Australia Branch (ABN 47 088 129 613, AFSL 231 087)
UK	United Kingdom
Uncontracted forecast revenue	Management's estimate of forecasted revenue from identified new contracts that are as yet uncontracted
US	United States of America
Vesting Date	The date at which performance rights may be exercised
Wealth Management Applications	Applications which provide administrative functions to the superannuation and pension, investment management or the life insurance industry
Wealth Management Industry	Covers the superannuation, pension, investment management and life insurance industries
Westpac	Westpac Banking Corporation (ACN 007 457 141)
Working Capital Facility	\$15 million revolver facility provided by BOS International as described in section 8.5.3.1
Wrap platforms	Applications that provide a single access point for investors, dealer groups, financial planners and product providers who hold multiple wealth management products

Corporate directory

Registered Office

Bravura Solutions Limited
Level 2
345 George Street
Sydney NSW 2000

Directors

Iain Dunstan
James MacKenzie
Chris Ryan
Robert Summerton
Simon Woodfull

Company Secretary

Jonathan Kenny

Legal Adviser

Minter Ellison
Aurora Place
88 Phillip Street
Sydney NSW 2000

Lead Manager

UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Auditor

Ernst & Young
680 George Street
Sydney NSW 2000

Independent Accountant

Ernst & Young Transaction Advisory Services Limited
680 George Street
Sydney NSW 2000

Accountant and Taxation Adviser

WMS Chartered Accountants
Level 2, Corporate Centre One
2 Corporate Court
Bundall Qld 4217

Registry

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000

Bravura Solutions Infoline

1300 855 080 or +61 3 9415 4000

Monday to Friday 8.30am to 5.30pm (Sydney time)

