

# **ASX PRELIMINARY HALF-YEAR REPORT**

## **BRAVURA SOLUTIONS LIMITED**

**ABN 15 111 148 826**

**31 December 2006**

Lodged with the ASX under Listing Rule 4.2A.3.

This information should be read in conjunction with the 30 June 2006 Annual Report

### **Contents**

|  |   |
|--|---|
| Results for Announcement to the Market ( <i>Appendix 4D Item 2</i> ) | 2 |
| Half-year Financial Report ( <i>ASX Listing Rule 4.2A1</i> )         | 4 |

This half-year report covers the consolidated entity consisting of Bravura Solutions Limited and its controlled entities.

## Appendix 4D

### ASX Half-Year Report

|                                  |   |
|----------------------------------|---|
| <b>Name of Entity:</b>           | <b>Bravura Solutions Limited</b>        |
| <b>ABN:</b>                      | 15 111 148 826                          |
| <b>Reporting Period</b>          | <b>Half-year ended 31 December 2006</b> |
| <b>Previous Reporting Period</b> | Half-year ended 31 December 2005        |

#### Results for announcement to the market

| Results   |            | \$'000 |
|---|------------|--------|
| Revenue from ordinary activities                                  | Up 139% to | 31,977 |
| Profit from ordinary activities after tax attributable to members | Up 213% to | 3,537  |
| Profit for the period attributable to members                     | Up 213% to | 3,537  |

| Dividends                            | Amount per security | Franked amount per security |
|--------------------------------------|---------------------|-----------------------------|
| <b>Current period</b>                |                     |                             |
| Ordinary dividend                    | 1.2 cents           | 1.2 cents                   |
| <b>Previous corresponding period</b> |                     |                             |
| Ordinary dividend                    | 1.85 cents          | 1.85 cents                  |

\* Please note the dividend of 1.85 cents from the previous period is calculated on shares issued prior to IPO and therefore not directly comparable.

#### Brief explanation of the figures reported above:

Refer to the attached Half-Year Report (Directors' Report - Review and Results of Operation section), for commentary on the half-year results.

#### Net tangible assets per security

|  | Current period | Previous period |
|--|----------------|-----------------|
| Net tangible asset backing per ordinary security | (44) cents     | (7) cents       |

\* Previous period net tangible asset backing is calculated using shares on issue prior to the IPO and buy back of 92,264,898.

#### Control gained over entities having a material effect

|                                       |   |
|---------------------------------------|---|
| Name of entity (or group of entities) | (a) Rufus software<br>(b) AB Prodata S.à.r.l. |
| Date control gained                   | (a) 1 December 2006<br>(b) 31 December 2006   |
| Contribution to profit after tax      | (a) \$410k<br>(b) nil                         |

**Bravura Solutions Limited and its Controlled Entities**

**Appendix 4D**

**For the half-year ended 31 December 2006**

**Loss of control of entities having a material effect**

|                                       |      |
|---------------------------------------|------|
| Name of entity (or group of entities) | n.a. |
|---------------------------------------|------|

**Additional dividend information**

Details of dividends declared or paid during or subsequent to the current period or the previous corresponding period are as follows:

| Record date  | Payment date | Type | Amount per security | Franked amount per security | Total dividend |
|--------------|--------------|------|---------------------|-----------------------------|----------------|
| 7 March 2007 | 6 April 2007 | Ord  | 1.2 cents           | 1.2 cents                   | \$1,472,322    |

**Dividend reinvestment plan**

|   |
|---|
| Bravura Solutions Limited does not have a dividend reinvestment plan. |
|---|

**Details of associates and joint venture entities**

| Name of entities   | n.a.           |                 |
|--|----------------|-----------------|
|  | Current period | Previous period |
| Consolidated entity's percentage holding in each of these entities |                |                 |
| Aggregate share of profits after tax of these entities             |                |                 |
| Contribution to net profit after tax                               |                |                 |

**Compliance statement**

This report is based on financial statements reviewed by the auditor, a copy of whose review report is attached.



**I M Dunstan**  
**Director**

Sydney, 26 February, 2007

**BRAVURA SOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 15 111 148 826**

**HALF-YEAR FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2006**

| <b>INDEX</b>                       | <b>Page</b> |
|------------------------------------|-------------|
| Directors' Report                  | 6           |
| Condensed Income Statement         | 7           |
| Balance Sheet                      | 8           |
| Cash Flow Statement                | 9           |
| Statement of Changes in Equity     | 10          |
| Notes to the Financial Statements  | 11          |
| Directors' Declaration             | 17          |
| Auditor's Independence Declaration | 18          |
| Independent Audit Report           | 19          |

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2006 and any public announcements made by Bravura Solutions Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The directors of Bravura Solutions Limited ("Bravura Solutions") submit their report for the half-year ended 31 December 2006 for Bravura Solutions and its controlled entities ("the Group").

## **DIRECTORS**

The names of the directors of Bravura Solutions in office during the half-year ended 31 December 2006 and until the date of this report are set out below:

Iain Maxwell Dunstan  
Simon Kenneth Woodfull  
Christopher John Ryan  
Robert Thomas Summerton  
James Andrew Charles MacKenzie

All directors were in office for this entire period unless otherwise stated.

## **PRINCIPAL ACTIVITIES**

The principal activities of the Group during the half-year ended 31 December 2006 were the provision of professional services and the development, licensing and maintenance of highly specialised administration and management applications for the financial services industry.

## **REVIEW AND RESULTS OF OPERATIONS**

The Group's consolidated net profit after tax for the half year ended 31 December 2006 was \$3.537 million (2005: \$1.131 million). This 213% increase was driven largely by 139% increase in revenue to \$31.977 million. The result reflects the continued success of core wealth management products, particularly in the UK where revenues increased from \$1.940 million to \$16.475 million.

Significant changes in the nature of the activities of the group occurred during the half-year:

- a) On 1 December 2006 Bravura Solutions acquired the Rufus software business of the Bank of New York Europe Limited. The Rufus software business expands Bravura Solution's business in its already recognised fields of software facilities management and the generation of licence fees from direct software clients, transfer agency revenue and commissioned consultancy and commissioned development.
- b) On 11 December 2006 Bravura Solutions acquired AB Prodata S.à.r.l. with an effective date of 31 December 2006. AB Prodata S.à.r.l. is an independent provider of original software products in the area of STP messaging and is categorised as an Intelligent Message Processor platform to the financial sector and in particular to companies involved in mutual funds, custody, clearing and settlement.

## **AUDITOR'S INDEPENDENCE DECLARATION**

The auditors independence declaration has been inserted on page 18 of this half-year financial report.

Signed in accordance with a resolution of the directors



**I M Dunstan**  
**Director**

Sydney, 26 February, 2007

**BRAVURA SOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES - HALF-YEAR FINANCIAL REPORT**  
**ABN 15 111 148 826**  
**CONDENSED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

|   | Note | CONSOLIDATED<br>Half Year     |                               |
|---|------|-------------------------------|-------------------------------|
|   |      | 31 December<br>2006<br>\$'000 | 31 December<br>2005<br>\$'000 |
| <b>Revenue</b>                                      | 3    | 31,977                        | 13,407                        |
| Other income  | 3    | -                             | 151                           |
| Other expenses                                      | 3    | (27,325)                      | (11,705)                      |
| Finance costs                                       |      | (352)                         | (318)                         |
| <b>Profit before income tax</b>                     |      | 4,300                         | 1,535                         |
| Income tax expense                                  | 4    | (763)                         | (404)                         |
| <b>Profit after income tax</b>                      |      | <u>3,537</u>                  | <u>1,131</u>                  |
| <b>Earnings per share (cents per share)</b>         |      |                               |                               |
| - basic, for profit for the half-year               |      | 2.88                          | 1.85                          |
| - diluted, for profit for the half-year             |      | 2.88                          | 1.85                          |
| <b>Dividends paid or declared (cents per share)</b> | 5    | 4.80                          | 1.85                          |

**BRAVURA SOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES - HALF-YEAR FINANCIAL REPORT**  
**ABN 15 111 148 826**  
**BALANCE SHEET AS AT 31 DECEMBER 2006**

|                                       |      | CONSOLIDATED                        |                                 |
|---------------------------------------|------|-------------------------------------|---------------------------------|
|                                       |      | As at 31 December<br>2006<br>\$'000 | As at 30 June<br>2006<br>\$'000 |
|                                       | Note |                                     |                                 |
| <b>ASSETS</b>                         |      |                                     |                                 |
| <b>Current Assets</b>                 |      |                                     |                                 |
| Cash and cash equivalents             | 6    | 7,013                               | 27,767                          |
| Trade and other receivables           |      | 22,423                              | 8,747                           |
| Prepayments                           |      | 866                                 | 286                             |
| <b>Total Current Assets</b>           |      | <u>30,302</u>                       | <u>36,800</u>                   |
| <b>Non-current Assets</b>             |      |                                     |                                 |
| Intangible assets                     |      | 105,170                             | 23,082                          |
| Other financial assets                |      | 1                                   | 1                               |
| Property, plant and equipment         | 7    | 3,453                               | 1,917                           |
| Deferred income tax asset             |      | 2,810                               | 1,843                           |
| <b>Total Non-current Assets</b>       |      | <u>111,434</u>                      | <u>26,843</u>                   |
| <b>TOTAL ASSETS</b>                   |      | <u>141,736</u>                      | <u>63,643</u>                   |
| <b>LIABILITIES</b>                    |      |                                     |                                 |
| <b>Current Liabilities</b>            |      |                                     |                                 |
| Trade and other payables              |      | 8,863                               | 2,914                           |
| Interest bearing loans and borrowings | 8    | 363                                 | 364                             |
| Provisions                            |      | 2,008                               | 4,819                           |
| Income tax payable                    |      | 2,180                               | 973                             |
| Deferred consideration                | 14   | 1,722                               | -                               |
| Deferred revenue                      |      | 4,235                               | 3,228                           |
| <b>Total Current Liabilities</b>      |      | <u>19,371</u>                       | <u>12,298</u>                   |
| <b>Non-Current Liabilities</b>        |      |                                     |                                 |
| Interest bearing loans and borrowings | 8    | 43,137                              | 320                             |
| Provisions                            |      | 2,273                               | 2,256                           |
| Deferred consideration                | 14   | 25,364                              | -                               |
| Deferred income tax liability         |      | 191                                 | 210                             |
| <b>Total Non-Current Liabilities</b>  |      | <u>70,965</u>                       | <u>2,786</u>                    |
| <b>TOTAL LIABILITIES</b>              |      | <u>90,336</u>                       | <u>15,084</u>                   |
| <b>NET ASSETS</b>                     |      | <u>51,400</u>                       | <u>48,559</u>                   |
| <b>EQUITY</b>                         |      |                                     |                                 |
| Contributed equity                    | 9    | 46,825                              | 47,090                          |
| Other reserves                        |      | 210                                 | 641                             |
| Retained earnings                     |      | 4,365                               | 828                             |
| <b>TOTAL EQUITY</b>                   |      | <u>51,400</u>                       | <u>48,559</u>                   |

**BRAVURA SOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES - HALF-YEAR FINANCIAL REPORT**  
**ABN 15 111 148 826**  
**CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

|  | Notes | CONSOLIDATED<br>Half Year                    |  |
|--|-------|--|--|
|  |       | 6 months to<br>31 December<br>2006<br>\$'000 | 6 months to<br>31 December<br>2005<br>\$'000 |
| <b>Cash flows from operating activities</b>        |       |  |  |
| Receipts from customers                            |       | 19,007                                       | 11,642                                       |
| Payments to suppliers and employees                |       | (20,905)                                     | (11,315)                                     |
| Interest received                                  |       | 521  | 27   |
| Sundry income received                             |       | -  | 151  |
| Borrowing costs paid                               |       | (643)  | -  |
| Income tax paid                                    |       | (511)  | -  |
|  |       | (2,531)                                      | 505  |
| <b>Net cash flows from operating activities</b>    |       |  |  |
| <b>Cash flows from investing activities</b>        |       |  |  |
| Purchase of property, plant and equipment          |       | (315)  | (659)  |
| Payments for acquisitions                          | 14    | (57,833)                                     | (4,599)                                      |
| Monies withdrawn from deposits                     |       | 169  | -  |
|  |       | (57,979)                                     | (5,258)                                      |
| <b>Net cash flows used in investing activities</b> |       |  |  |
| <b>Cash flows from financing activities</b>        |       |  |  |
| Proceeds from bank loans                           |       | 43,266                                       | 3,700  |
| Repayment of other loans                           |       | (55)   | (70)   |
| Dividends paid                                     |       | (2,200)                                      | -  |
| Payment of share issue costs                       |       | (1,100)                                      | -  |
| Repayment of finance lease principal               |       | (155)  | (48)   |
|  |       | 39,756                                       | 3,582  |
| <b>Net cash flows from financing activities</b>    |       |  |  |
| Net (decrease) in cash and cash equivalents        |       | (20,754)                                     | (1,171)                                      |
| Net foreign exchange difference                    |       | -  | 19   |
| Cash and cash equivalents at beginning of period   |       | 27,767                                       | 2,489  |
|  |       | 7,013  | 1,337  |
| <b>Cash and cash equivalents at end of period</b>  | 6     | 7,013  | 1,337  |

**BRAVURA SOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES - HALF-YEAR FINANCIAL REPORT**

ABN 15 111 148 826

**STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

|  | CONSOLIDATED<br>Half Year   |                                |                             |                 |                                | Total<br>equity<br>\$'000 |
|--|-----------------------------|--------------------------------|-----------------------------|-----------------|--------------------------------|---------------------------|
|  | Issued<br>capital<br>\$'000 | Retained<br>earnings<br>\$'000 | Other<br>reserves<br>\$'000 | Total<br>\$'000 | Minority<br>interest<br>\$'000 |                           |
| <b>At 1 July 2006</b>  | 47,090                      | 828                            | 641                         | 48,559          | -                              | 48,559                    |
| Currency translation differences   | -                           | -                              | (431)                       | (431)           | -                              | (431)                     |
| <b>Total income and expense for the period recognised directly in equity</b> | -                           | -                              | (431)                       | (431)           | -                              | (431)                     |
| Profit for the period  | -                           | 3,537                          | -                           | 3,537           | -                              | 3,537                     |
| <b>Total income / expense for the period</b>                                 | -                           | 3,537                          | (431)                       | 3,106           | -                              | 3,106                     |
| Share issue costs (net of tax effect)  | (265)                       | -                              | -                           | (265)           | -                              | (265)                     |
| <b>At 31 December 2006</b>   | <b>46,825</b>               | <b>4,365</b>                   | <b>210</b>                  | <b>51,400</b>   | <b>-</b>                       | <b>51,400</b>             |
| <b>At 1 July 2005</b>  | 4,890                       | 1,069                          | -                           | 5,959           | (3)                            | 5,956                     |
| Currency translation differences   | -                           | -                              | 19                          | 19              | -                              | 19                        |
| <b>Total income and expense for the period recognised directly in equity</b> | -                           | -                              | 19                          | 19              | -                              | 19                        |
| Profit for the period  | -                           | 1,131                          | -                           | 1,131           | -                              | 1,131                     |
| <b>Total income / expense for the period</b>                                 | -                           | 1,131                          | 19                          | 1,150           | -                              | 1,150                     |
| Issue of shares per Tacit acquisition  | 2,753                       | -                              | -                           | 2,753           | -                              | 2,753                     |
| Acquisition of remaining shares in Syscorp Pty Ltd                           | -                           | -                              | -                           | -               | 3                              | 3                         |
| <b>At 31 December 2005</b>   | <b>7,643</b>                | <b>2,200</b>                   | <b>19</b>                   | <b>9,862</b>    | <b>-</b>                       | <b>9,862</b>              |

## **1. CORPORATE INFORMATION**

The financial report of Bravura Solutions Limited for the half-year ended 31 December 2006 was authorised for issue in accordance with a resolution of the directors on 26 February 2007. Bravura Solutions Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in note 10.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Bravura Solutions Limited as at 30 June 2006.

It is also recommended that the half-year financial report be considered together with any public announcements made by Bravura Solutions Limited and its controlled entities during the half-year ended 31 December 2006 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

### **(a) Basis of preparation**

The half-year consolidated financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards, including AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the class order applies.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

### **(b) Significant accounting policies**

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2006, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2006, as described in Note 2(d).

### **(c) Basis of consolidation**

The half-year consolidated financial statements comprise the financial statements of Bravura Solutions Limited and its subsidiaries as at 31 December 2006 ("the Group").

### **(d) Changes in accounting policies**

New and / or revised standards and interpretations applicable for the year commencing 1 July 2006 have been reviewed and it was determined that changes were not required to the existing accounting policies adopted by Bravura Solutions Limited. Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended but are not yet effective and have not been adopted by Bravura Solutions Limited for this interim reporting period. The directors have not yet assessed the impact of these new or amended standards and interpretations to the extent relevant to Bravura Solutions Limited.

|                                     | CONSOLIDATED  |               |
|-------------------------------------|---------------|---------------|
|                                     | Half Year     |               |
|                                     | 2006          | 2005          |
|                                     | \$'000        | \$'000        |
| <b>3. REVENUE AND EXPENSES</b>      |               |               |
| <b>Revenue</b>                      |               |               |
| Maintenance and license fee revenue | 18,938        | 4,927         |
| Professional services revenue       | 12,127        | 6,267         |
| Other sales revenue                 | 287           | 2,063         |
| Royalties                           | 104           | 122           |
| Interest received                   | 521           | 28            |
| Total Revenue                       | <u>31,977</u> | <u>13,407</u> |
| <b>Other Income</b>                 |               |               |
| Rent                                | -             | 127           |
| Sundry income                       | -             | 24            |
| Total Other Income                  | <u>-</u>      | <u>151</u>    |
| <b>Expenses</b>                     |               |               |
| Depreciation and amortisation       | 1,023         | 536           |
| Employee benefits                   | 16,369        | 7,169         |
| Research and Development            | 4,920         | 1,627         |
| Other                               | 5,013         | 2,373         |
|                                     | <u>27,325</u> | <u>11,705</u> |

#### 4. INCOME TAX

The major components of income tax expense for the half-year ended 31 December 2006 and 31 December 2005 are:

|  |            |            |
|--|------------|------------|
| <b>Current income tax</b>  |            |            |
| Current income tax charge  | 1,640      | 710        |
| <b>Deferred income tax</b>                                       |            |            |
| Relating to origination and reversal of temporary differences    | (877)      | (306)      |
| Income tax expense reported in the consolidated income statement | <u>763</u> | <u>404</u> |

#### 5. DIVIDENDS PAID AND PROPOSED

|   |              |              |
|---|--------------|--------------|
| (a) Dividends paid during the half-year on ordinary shares                                      |              |              |
| Final franked dividend for the financial year ended 30 June 2006: 3.6 cents (2005: nil)         | 2,200        | -            |
| (b) Dividends proposed and not yet recognised as a liability                                    |              |              |
| Interim franked dividend for the half-year ended 31 December 2006: 1.2 cents (2005: 1.85 cents) | 1,472        | 1,131        |
|   | <u>3,672</u> | <u>1,131</u> |

#### 6. CASH AND CASH EQUIVALENTS

For the purpose of the half-year condensed cash flow statement, cash and cash equivalents are comprised of the following:

|                |              |              |
|----------------|--------------|--------------|
| Cash on hand   | 3            | 1            |
| Cash at bank   | 7,100        | 774          |
| Term deposits  | 1            | 562          |
| Bank overdraft | (91)         | -            |
|                | <u>7,013</u> | <u>1,337</u> |

| CONSOLIDATED |        |
|--------------|--------|
| Half Year    |        |
| 2006         | 2005   |
| \$'000       | \$'000 |

## 7. PROPERTY, PLANT AND EQUIPMENT

### Acquisitions

During the half-year ended 31 December 2006 the Group acquired assets with a cost of \$315,000 (2005: \$659,000). Additional assets costing \$1,570k have been acquired as part of the acquisition of Rufus as disclosed in Note 14.

## 8. INTEREST BEARING LOANS AND BORROWINGS

During the half-year ended 31 December 2006 the Group repaid \$210,000 of interest bearing debt and drew down new borrowings of \$44,030,000 resulting in a net increase in the Group's debt by over \$43,819,000 (2005: Group repaid \$118,000 of interest-bearing debt resulting in a net increase in the Group's debt of \$3,582,000 following new borrowings of \$3,700,000).

## 9. CONTRIBUTED EQUITY

|   |                    |               |
|---|--------------------|---------------|
| Ordinary shares   | <u>46,825</u>      | <u>7,643</u>  |
| Ordinary shares   |                    |               |
| Fully paid ordinary shares carry one vote per share and carry the right to dividends. |                    |               |
| Movements in ordinary shares on issue   | No. of shares      | \$000's       |
| At 1 July 2006  | 122,693,482        | 47,090        |
| Share issue costs (net of tax effect)   | -                  | (265)         |
| Balance at 31 December 2006   | <u>122,693,482</u> | <u>46,825</u> |
| At 1 July 2005  | 6,250,300          | 4,890         |
| Shares issued 1 July 2005 in relation to the purchase of the Tacit Group              | <u>917,431</u>     | <u>2,753</u>  |
| Balance at 31 December 2005   | <u>7,167,731</u>   | <u>7,643</u>  |

## 10. SEGMENT REPORTING

The Group's primary business segment is the provision of services and software to the financial services industry.

Geographically, the Group operates in four predominant segments, namely Australia, New Zealand, United Kingdom and Asia. The head office and investment activities of the Group are based in Sydney, Australia. Transactions between geographical segments are on normal commercial terms and conditions no more favourable than those available to other parties.

### Geographic segments

The following table presents the revenue and profit information regarding geographical segments for the half-year ended 31 December 2006 and 31 December 2005.

|                         | Australia<br>\$'000 | New<br>Zealand<br>\$'000 | United<br>Kingdom<br>\$'000 | Asia<br>\$'000 | Total<br>\$'000 |
|-------------------------|---------------------|--------------------------|-----------------------------|----------------|-----------------|
| <b>31 December 2006</b> |                     |                          |                             |                |                 |
| Segment revenue         | 13,108              | 1,870                    | 16,475                      | 524            | 31,977          |
| Segment result          | 1,107               | 405                      | 2,210                       | (185)          | 3,537           |
| <b>31 December 2005</b> |                     |                          |                             |                |                 |
| Segment revenue         | 10,335              | 1,258                    | 1,940                       | 25             | 13,558          |
| Segment result          | 730                 | (113)                    | 634                         | (120)          | 1,131           |

#### 11. RELATED PARTY DISCLOSURES

The following table details the total value of transactions that were entered into with related parties for the half-year ended 31 December 2006 and 31 December 2005

|   |      | Purchases from<br>related parties<br>\$'000 | Amounts<br>owed to<br>related<br>parties<br>\$'000 |
|---|------|---|--|
| Corporate advisory fees provided by Investorlink Corporate Limited and Nexmead Pty Limited in relation to various acquisitions during the period <sup>1</sup> | 2006 | 102   | -  |
|   | 2005 | 70  | -  |
| Legal services provided by Summerton De Vere Lawyers in relation to various acquisitions during the period <sup>2</sup>                                       | 2006 | 76  | 3  |
|   | 2005 | 20  | 8  |

The above remuneration and benefits indirectly payable to the directors were in respect of professional services provided on normal commercial terms by entities in which Christopher Ryan<sup>1</sup> and Robert Summerton<sup>2</sup> held controlling interests.

#### Terms and conditions of transactions with related parties.

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

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

#### 12. EVENTS AFTER BALANCE SHEET DATE

There have been no material events subsequent to the end of the half-year ended 31 December 2006.

#### 13. SHARE BASED PAYMENTS

There were no share options issued to either senior executives or employees under the Employee Share Option Plan during the period under review.

**14. BUSINESS COMBINATION**

**Acquisition of Businesses**

**(a) December 2006 - Rufus software business acquisition**

On 1 December 2006 Bravura Solutions Limited acquired the Rufus software business of the Bank of New York Europe Limited. The Rufus software business expands Bravura Solutions business in its already recognised fields of software facilities management and the generation of licence fees from direct software clients, transfer agency revenue and commissioned consultancy and commissioned development.

The acquired business contributed revenues of \$7,361,258 and net profit after tax of \$410,158 for the period from 1 December 2006 to 31 December 2006. As these business assets were not separately accounted for by the Bank of New York Europe Limited it is not possible to accurately determine what the contributed revenue and net profit after tax would have been had the acquisition occurred on 1 July 2006.

|   | Consolidated                           |                             |
|---|--|-----------------------------|
|   | Recognised on<br>acquisition<br>\$'000 | Carrying<br>value<br>\$'000 |
| Net assets of Rufus software business at 1 December 2006: |  |                             |
| - Business contracts                                      | 34,338                                 | 34,338                      |
| - Intellectual property                                   | 16,408                                 | 16,408                      |
| - Property, plant and equipment                           | 1,570                                  | 1,570                       |
| Fair value of identifiable net assets                     | <u>52,316</u>                          | <u>52,316</u>               |
| Goodwill arising on acquisition                           | <u>24,910</u>                          |                             |
|   | <u>77,226</u>                          |                             |
| 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                             | <u>77,226</u>                          |                             |
| The cash outflow on acquisition is as follows:            |  |                             |
| - Cash consideration paid including acquisition costs     | <u>50,140</u>                          |                             |

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 Limited acquired AB Prodata S.à.r.l. with an effective date of 31 December 2006.

AB Prodata S.à.r.l. is an independent provider of original software products to the financial sector and in particular to companies involved in mutual funds, custody, clearing and settlement.

The acquired business contributed revenues of \$nil and net profit after tax of \$nil for the period from the date of acquisition to 31 December 2006 as the effective date of the acquisition was 31 December 2006. The directors have determined that it is impractical to accurately determine what contributed revenue and net profit after tax would have been had the acquisition occurred on 1 July 2006 as the acquired company did not produce financial statements in compliance with IFRS.

|  |              |              |
|--|--------------|--------------|
| Net assets of AB Prodata S.à.r.l. at 31 December 2006: |              |              |
| - Business contracts                                   | 781          | 781          |
| - Intellectual property                                | 3,367        | 3,367        |
| - Trade and other receivables                          | 1,345        | 1,345        |
| - Borrowings (net)                                     | (91)         | (91)         |
| - Trade and other payables                             | (1,372)      | (1,372)      |
| - Tax liabilities (net)                                | (71)         | (71)         |
| Fair value of identifiable net assets                  | <u>3,959</u> | <u>3,959</u> |
| Goodwill arising on acquisition                        | <u>3,137</u> |              |
|  | <u>7,096</u> |              |
| Cost of the combination:                               |              |              |
| - Cash consideration paid                              | 6,776        |              |
| - Acquisition costs                                    | 320          |              |
| Total cost of the combination                          | <u>7,096</u> |              |

14. BUSINESS COMBINATION (continued)

The cash outflow on acquisition is as follows:

|   |                     |
|---|---------------------|
| - Net cash acquired with the subsidiary               | (91)                |
| - Cash consideration paid including acquisition costs | <u>7,096</u>        |
| Net cash outflow                                      | <u><u>7,005</u></u> |

The values identified in relation to the acquisitions of the Rufus software business and AB Prodata S.à.r.l. 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 S.à.r.l. with the Group.

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Bravura Solutions Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) give a true and fair view of the financial position as at 31 December 2006 and the performance for the half-year ended on that date of the consolidated entity; and
  - (ii) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



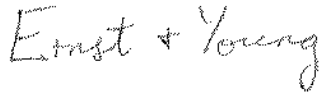
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I M Dunstan  
Director

Sydney, 26 February, 2007

## **Auditor's Independence Declaration to the Directors of Bravura Solutions Limited**

In relation to our review of the financial report of Bravura Solutions Limited for the half-year ended 31 December 2006, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



Ernst & Young



J K Haydon

Partner

Date 26 February 2007

To the members of Bravura Solutions Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bravura Solutions Limited and the entities it controlled during the half-year, which comprises the balance sheet as at 31 December 2006, and the condensed income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration.

### *Directors' Responsibility for the half-year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory financial reporting requirements in Australia. As the auditor of Bravura Solutions Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

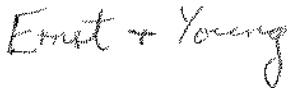
### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Bravura Solutions Limited and the entities it controlled during the half-year, is not in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



J K Haydon  
Partner  
Sydney  
26 February 2006