



ASX ANNOUNCEMENT

Underlying EBITDA turnaround coupled with strong operational cash flow positions Bravura Solutions for long-term future growth

Bravura Solutions announces on-market share buy-back

Sydney, 22 August 2011 (ASX: BVA) – Bravura Solutions Limited (Bravura) - a leading global supplier of transfer agency and wealth management software applications and professional services – today announced its full year results for the financial year ended 30 June 2011 and an on-market share buy-back.

EBITDA profit for the 2011 financial year (FY2011) was \$19.0 million, an increase of \$9.0 million, or 90 per cent from FY2010. Operating cash flow improved by a further 13 per cent to \$16.0 million and included a final deferred settlement payment of US\$7.0 million for the acquisition of Citi's GTAS transfer agency business in Warsaw, Poland.

Commenting on these strong results, Tony Klim, CEO and Managing Director, said, "We believe Bravura is now positioned for long-term future growth and are very pleased with our EBITDA result.

"We are also extremely pleased with the improvement in operating cash flow for the third year in a row. The trend of continued and sound operating cash flow is testament to our successful strategy of geographic diversification, developing a strong product offering and delivering quality financial software to an expanding client base.

"We have focused on building and maintaining strong client relationships, while rolling out new products and functionality to the market, signing agreements with new clients across multiple regions and extending existing contracts.

"We anticipate that as the global economy further recovers, we will benefit from emerging opportunities that will drive improvement in our operating margins and fully utilise the infrastructure that we have in place", Klim said.

FY2011 key results

- EBITDA improved by \$9.0 million to \$19.0 million
- Revenue grew by 19 per cent to \$120.7 million
- Net operating cash flow increased to \$16.0 million
- Currency impacted EBITDA negatively by \$3.0 million
- Net loss after tax of \$21.1 million included an impairment charge of \$20.9 million
- Borrowings and deferred consideration reduced by 40 per cent

Results summary

		Actual	Constant Currency ¹	Constant Currency	Actual
(A\$m)	FY10	FY11	FY11	Chg. (%)	Chg. (%)
Revenue²	101.4	120.7	130.5	28.7	19.0
Revenue excluding licence fees	94.4	117.4	127.0	34.6	24.4
Expenses	91.4	101.6	108.4	18.7	11.3
EBITDA	10.0	19.0	22.0	120.0	90.3
EBITDA excluding licence fees	3.0	15.8	18.6	519.0	425.7
Net profit/(loss) after tax	(13.2)	(21.1)	(18.1)	36.8	59.3
Operating cash flow	14.2	16.0		0.0	12.5

1 Constant Currency - assumes foreign exchange rates in FY2011 remained constant at FY2010 rates

2 Revenue excludes interest income

Revenue

Revenue for FY2011 was \$120.7 million. This \$19.3 million or 19 per cent increase was predominantly due to increased spend within the existing installed client base and the contribution of Mutual Fund Technologies (MFT) related revenues following the acquisition in June 2010.

FY2011 continued to be significantly impacted by exchange rates that had an overall effect of decreasing revenue by \$9.8 million. Had the exchange rate from FY2010 remained constant, the revenue increase would have been \$29.1 million or a 28.7 per cent increase overall.

The strong Australian Dollar has had a significant impact on the translation of overseas revenue which now accounts for approximately 78 per cent of total revenue. The GBP / AUD exchange rate declined year on year by a further 11 per cent.

Licence fee revenue included sales of our next generation wealth management software solution, Sonata, in both Australia and New Zealand. Services revenue relating to these sales will continue through into FY2012.

EBITDA

EBITDA increased by \$9.0 million over the previous year in actual terms and improved by \$12.0 million in Constant Currency. This turnaround was the result of the continued strength in the underlying business and the addition of MFT revenue. However, the exchange rate did once again result in a negative impact of \$3.0 million on the EBITDA result.

The Company has significant natural hedging in place through its offshore personnel and infrastructure costs which have played a substantial role in assisting to minimise currency effects.

Operating costs

Operating costs increased by \$10.2 million as a result of the MFT acquisition, however, continued focus on cost management has seen an improvement in margins over the prior year.

Cash flow

Cash flow continued to be a focus area for the Company with a 13 per cent increase in operating cash flow compared to FY2010. Operating cash flow of \$16.0 million highlights the trend towards a revenue and cash stream that is more recurring in nature, assisted by the MFT acquisition.

Balance sheet

The Company's financial position continues to strengthen with total borrowings and deferred consideration reducing by a further 40 per cent.

Total net assets of \$107.0 million included a reduction in Intangibles of \$20.9 million and payment of the final deferred settlement relating to the Citi acquisition from December 2008.

The Company remained well within its banking covenants as at 30 June 2011.

Capital management strategy: On-market share buy-back

The Company also announces today that it intends to buy-back up to 10 per cent of the shares currently on issue under an on-market buy-back complying with the 10/12 limit prescribed by section 257B(4) of the *Corporations Act 2001(Cth)*. Further details are set out in the Appendix 3C notification released to ASX today.

The buy-back is proposed as part of the Company's financial strategy to ensure that capital is effectively managed and that shareholder returns are maximised over the long term. As the buy-back progresses, shareholders will be provided with further information.

Events since last year

During the last 12 months, the Company has undertaken major product releases and client upgrades across all products and regions. Key strategic relationships with major clients including the Bank of New York Mellon, Citi and JP Morgan have been strengthened as these clients continue to consolidate their businesses onto Bravura technology platforms.

The company also signed significant contract extensions, with UK based Schroders and Legal & General, and achieved two Sonata sales for New Zealand based Partners Life and Australian based Russell Investments.

In keeping with the strategy to reduce operating costs, the company increased its offshore development and support capacity through operations in Poland, India and Thailand.

Outlook

The Company will continue to build on strategic relationships with its major blue chip client base by engaging in 'cross-selling' opportunities and seeking to add further Bravura products and services to their existing administration models. This will serve to enhance their customer proposition and provide Bravura with additional revenue opportunities and an increased market presence.

Following recent sales of Bravura's wealth management platform, Sonata, in APAC, the Company will seek further sales for this product across all regions in the wealth management and life insurance markets. Successful life insurance implementations in Thailand and Vietnam over the past financial year will provide credible references and an Asia focus, where further growth is anticipated.



Over the past financial year, the EMEA region has developed and implemented a successful managed services model with its major European clients. The Company intends to replicate the models success in APAC going forward.

Defined target growth markets, coupled with a sound financial and cash position, will enable Bravura to pursue opportunities that are well aligned with its acquisition strategy and build on its proven managed services model.

Lower costs associated with the Company's offshore centres in Poland, India and Thailand will continue to deliver improved cost savings as Bravura moves to increase capacity and further utilise these facilities for operational support and development.

The Company is confident that it now has an optimal business model, infrastructure and product suite. The ability to deliver a strong EBITDA result without a dependency on licence fees, stronger recurring revenues and robust cash flow, should enable the Company to deliver both top and bottom line future growth.

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For further information, visit <http://www.bravurasolutions.com> or contact:

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