



Investor Presentation – 2011 Financial Results

Full Year ended 30 June

Tony Klim, Chief Executive Officer
Rebecca Norton, Chief Financial Officer

August 2011





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Group highlights

Highlights



- **Strong financial position for long-term future growth**
 - Strong EBITDA growth from \$10m in FY2010 to \$19m in FY2011
 - Operating cash flow of \$16m represents growth of 13% on prior year
- **Strong client sales and retention (despite weak financial markets)**
 - Two new Sonata sales in Australia and New Zealand
 - Contract extensions with UK based Schroders and L&G
 - Major releases and client upgrades across all products and regions
 - Strengthened key strategic client relationships with BNYM, Citi and JP Morgan
- **FY2011-FY2014 strategic plan developed and in progress**
 - Significantly increased offshore development and support capability
 - Greater focus on product marketing
- **Successful integration of Mutual Fund Technologies (MFT)**
- **Tony Klim appointed CEO in May 2011**



FY2011 financial results

FY2011 financial performance



		Actual	Constant Currency ¹	Constant Currency	Actual
(A\$m)	FY10	FY11	FY11	Chg. (%)	Chg. (%)
Revenue ²	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

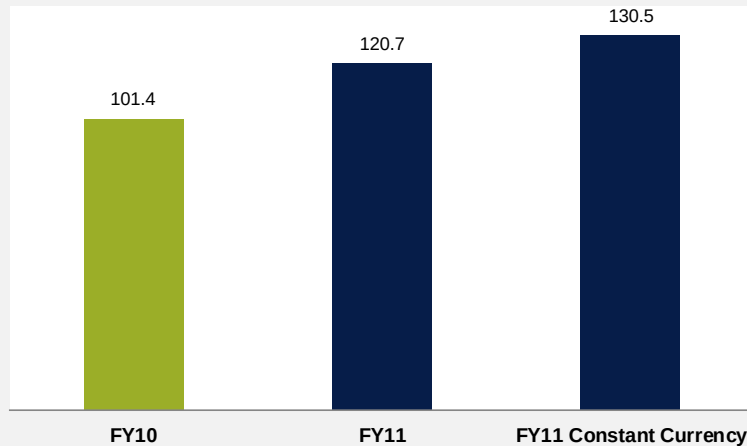
2 Revenue excludes interest income

- Strong Australian Dollar continued to have significant impact on translation of overseas revenues
- EBITDA improvement as underlying business continues to be strong
- Licence fees included Sonata sales in Australia and New Zealand

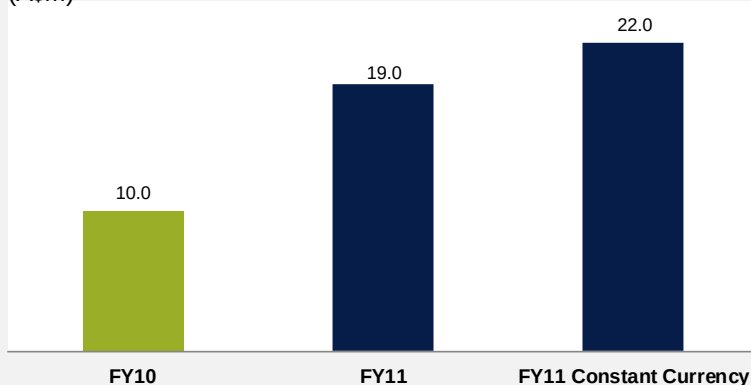
Revenue growth



Revenues
(A\$m)



EBITDA
(A\$m)

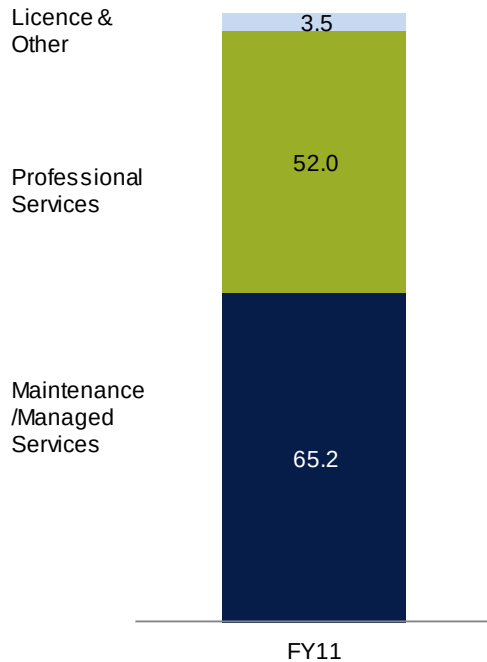


- EBITDA grew by 90% due to continued strength in underlying business and addition of MFT revenue
- Two new sales of Sonata contributed licence and related services revenue
- Predictability of revenue streams continue to improve due to the improved recurring nature of the business

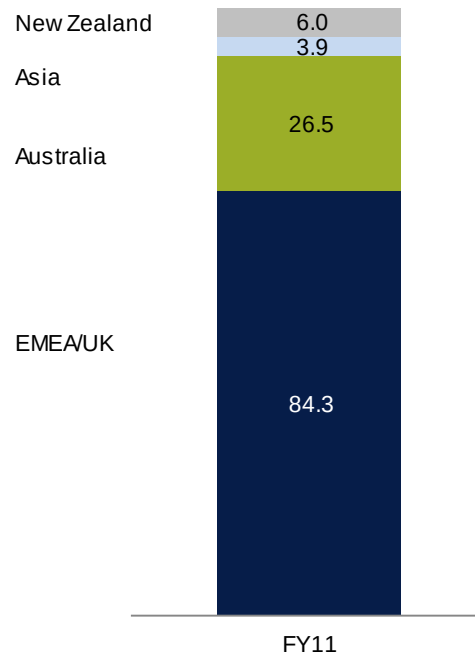
Revenue summary



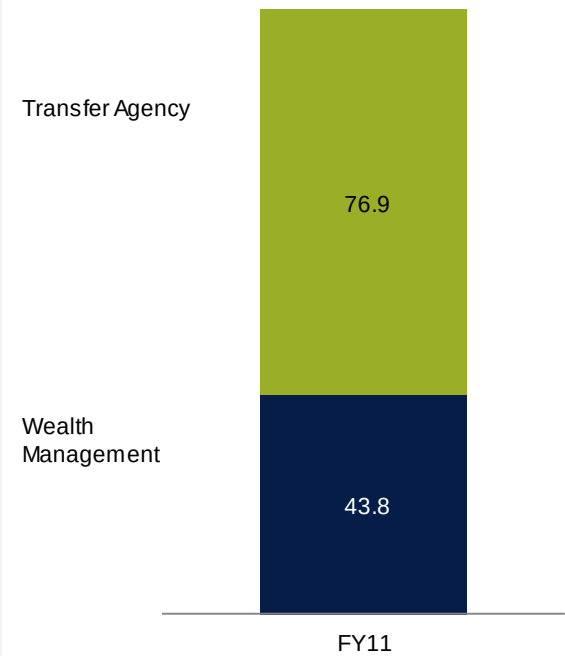
**Lines of business
(A\$m)**



**Geography
(A\$m)**



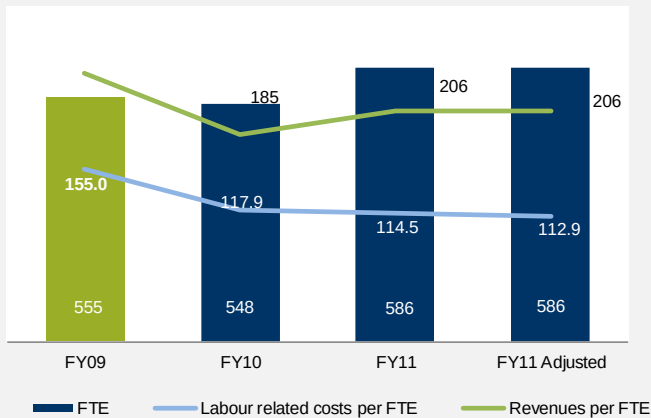
**Industry/product line
(A\$m)**



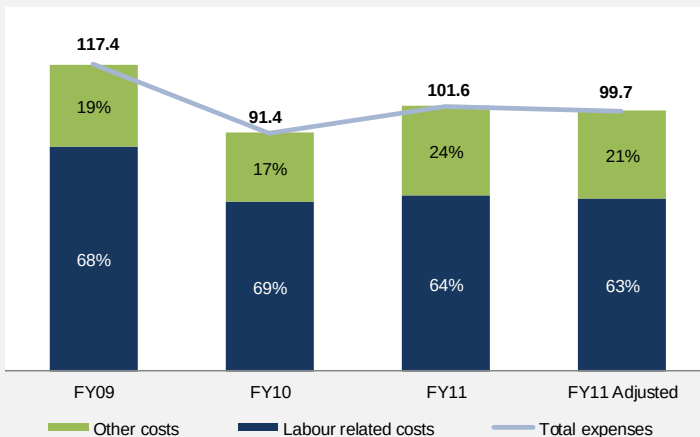
Operating cost management



FTE, revenues and labour related costs \$A000s



Operating costs as a % of revenue



- Labour related costs per FTE continued to reduce
- Continued focus on discretionary cost management
- More efficient use of resources generated revenue
- Strong continued focus on professional staff utilisation
- Non-labour expenses included hosting related costs within the Transfer Agency business unit

Balance sheet



A\$m	Jun-10	Jun-11
Assets		
Cash	6.5	3.7
Other current assets	28.5	31.7
Intangible assets	154.6	121.0
Other non-current assets	26.3	17.4
Total assets	216.0	173.8
Liabilities		
Borrowings	33.6	24.9
Deferred consideration	7.9	-
Other current liabilities	33.9	32.4
MFT earn-out	1.6	1.5
Other non-current liabilities	7.9	8.0
Total liabilities	84.9	66.8
Net assets	131.1	107.0
Contributed equity	137.8	137.8
Reserves	1.7	(1.3)
Accum (losses)/retained profits	(8.4)	(29.5)
Total equity	131.1	107.0

- Borrowings & deferred consideration reduced by 40%
- Impairment charge of \$20.9m taken after review of intangibles - related to declining GBP, uncertainty in UK market and loss of MFT business contract
- Earn-outs for MFT to be paid in Q1 FY2012 as revenue hurdles have been achieved in FY2011
- Deferred consideration finalised at end of 1H FY2011

Funding profile



	Facility limit (m)	Drawn down value (m)	Due Date
Working capital facility			
AUD revolving tranche facility	\$ 8.3	\$ 1.2	Dec 2012
GBP revolving tranche facility	£ 3.5	£ -	Dec 2012
Amortising term facility			
AUD term tranche facility	\$ 4.4	\$ 4.4	Dec 2012
GBP term tranche facility	£ 13.1	£ 13.1	Dec 2012
Total debt facilities @ 1.5114 (\$:£ exchange rate)	\$ 37.7	\$ 25.4	
Balance (m)			
Cash and cash equivalents	\$ 3.7		
Covenant Jun-11			
Net assets	>65m	\$ 129.1	✓
Leverage ratio ¹	<3.0x	1.6	✓
Interest cover ratio ²	>3.5x	7.5	✓

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

2. Interest cover ratio is defined as EBITA for the prior 12 months to Interest expense for the corresponding period



Group strategy and core business

Group strategy



- Continue successful roll out of Sonata in wealth management and life insurance markets
- Build on strategic relationships with global securities services clients by adding further products and services to their administration model
 - Enhance their customer proposition and provide Bravura with additional revenue opportunities and increased market presence
- Provide greater focus to Asia growth strategy by building on successful implementations in Thailand and Vietnam
- Look to replicate successful European managed services model in APAC
- Further utilise low cost development and support through expansion of operations in India, Poland and Thailand
- Continue to review acquisition opportunities that build on proven managed services model

Core business



- Implement, support and maintain back office data record keeping software and managed services across Transfer Agency and Wealth Management divisions
- Transfer Agency
 - Management of all aspects of investor record keeping in relation to investors purchasing, redeeming and account balances
 - Transfer agents interface with other entities such as fund managers, distributors, trustees, custodians and fund accountants
- Wealth Management
 - End-to-end processing capability facilitating streamlined administration to support all back office functions relating to daily management of investment, superannuation/pensions, private wealth & portfolio administration and life insurance markets



Transfer Agency

Transfer Agency



- Market share increasing with over 80% of budgeted revenue contracted
- Continue to drive international opportunities and support major Transfer Agency clients in their global expansion
- Support further platform consolidation within existing client base
- Penetrate less mature markets with Transfer Agency solutions including those where incumbent technology is not capable of meeting market requirements
- Identify further scale opportunities in mature markets (UK, Luxembourg and Dublin) through potential acquisition targets
- Drive further business with existing clients arising from significant regulatory change
- Compliment existing operations with low cost centres in Poland, India and Thailand enabling continued margin improvement

Global clients and new markets



- Current client base will assist in enabling entry into new and emerging markets
- Further develop managed services model with global clients by extending Bravura's footprint of products and services into their existing platforms
- Drive further revenue generation arising from regulatory change and cross-border opportunities
- Continue R&D to build out additional fund features required by existing clients, to reflect changing market demands
- Product roadmaps progressing well with significant client participation in shaping future product strategy
- Strengthen relationships with international third party administrators



Wealth Management

Wealth Management



- Sonata, our new technology platform based on Service Oriented Architecture (SOA), is now successfully rolled out and will underpin the Wealth Management division growth
- Well positioned to capitalise on industry trends and regulatory changes in Australia, UK and Asia
- Particular focus on high growth emerging markets of Thailand and Vietnam where the life insurance market provides significant opportunities
- Major releases and client upgrades across Talisman, Garradin, ePASS, SuperB and Calibre will continue to drive recurring revenue streams, as will migrations to Sonata
- Compliment existing operations by expanding low cost centre in Gurgaon, India, obtained through the MFT acquisition

UK growth opportunities



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

Emerging markets



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



Summary

Key summary points



- Strong financial and cash position for growth
- EBITDA profitable without licence sales
- Improved quality of earnings and level of contracted revenues
- Strong long-term relationships with blue chip clients
- Successful roll out of wealth management platform, Sonata
- Driving new business with key industry players
- Strategy in place to drive new market growth
- Targeted R&D in line with strategic plan
- Successful integration of MFT
- Continued review of opportunities that align with acquisition strategy



Q&A