



AGM speech FY2012

Tony Klim – Chief Executive Officer

[Introduction]

It is with great pleasure that I report to you on Bravura Solutions' financial and operating results for the past year.

Over the last year, I have spent a significant amount of time travelling between our offices, and have enjoyed meeting and engaging with our employees. I have also had the opportunity to meet with a number of our key clients, spending time in their offices, learning about their businesses and the value that our software delivers to them, as well as having the opportunity to network with them at various events.

[Solid financial performance]

We are pleased with the results achieved over the past financial year, once again positioning us well for our commitment to growth.

Sales revenue for FY2012 was \$126.6 million, an increase of five per cent over the prior year. Growth was a result of new licence sales and increased professional services spend within the existing installed client base.

Sonata, our next generation wealth management application, continues to gain traction in the marketplace across our regions of operation, ensuring revenue streams continue throughout FY2013 and beyond.

EBITDA for FY2012 was \$23.2 million, an increase of 22 per cent over the prior year. The Company's EBITDA continues to grow year on year as result of a number of new contracts, as well as our continued focus on improving the efficiency of our underlying operations. The establishment of our offshore support and development centres has also been a significant factor in our improving financial performance, and we expect the success afforded by these facilities to continue.

Net profit after tax for FY2012 was \$5.4 million, a 126 per cent improvement from a \$21.1 million loss in the prior year.

Net operating cash flow after interest and tax increased by 29 per cent to \$20.7 million and continues to increase as the Company ensures that this remains a day to day business focus.

[Operating review]

Bravura Solutions grew sales revenue in both of our operating divisions – Transfer Agency; which provides technology and services in support of the mutual funds industry, and Wealth Management; which supports the broader wealth management and life insurance markets.

In FY2012, the Transfer Agency division contributed \$79.9 million, or 63 per cent of sales revenue. The division saw increases in sales revenue from the prior year of \$3 million, or four per cent, and continued to support key Transfer Agency clients including BNY Mellon, JP Morgan, Lloyds Banking Group, Schroders, Legal & General, and Citi.

The Wealth Management division contributed \$46.7 million, or 37 per cent of sales revenue. The division also saw increases in sales revenue from the prior year of \$2.9 million or seven per cent, and continued to support key Wealth Management and life insurance clients including Citi, Russell Investments, Partners Life, Perpetual, Northern Trust, Bao Viet Life, ABSA and Commonwealth Bank Australia.

Examining overall sales revenue further for FY2012 by type, \$7.4 million, or six per cent was derived from licence fees and other, compared with the previous year's \$3.5 million, or three per cent.

Additionally, \$64.1 million, or 51 per cent was from managed services fees and maintenance, against the previous financial years: \$65.2 million or 54 per cent, and lastly, \$55.1 million of our sales revenue, or 43 per cent, was derived from professional services fees. This is up from FY2011 in which we recorded \$52 million or 43 per cent in the same category.

I would like specifically to draw your attention to our Indian operations, as we are extremely pleased with the efficiencies they have brought to our business. Commencing in September 2011 with a team of 41 people, mostly transferring from Fidelity as part of the Mutual Fund Technologies acquisition, the team has now more than doubled in size and provides services to both the Transfer Agency and the Wealth Management divisions.

For those wishing to gain further insight into our operating divisions, additional information including divisional highlights, and an overview of our focus for the year ahead is provided in the Annual Report.

[Products]

Once again, the product highlight for us over the past financial year was the further development and growth of Sonata, our next generation wealth management and life insurance application. In particular I'd like to talk about the benefits that New Zealand-based client Partners Life has experienced.

Partners Life represents an impressive life insurance start-up story, writing a million dollars in premiums within just three weeks of launch. Technology was vital to this success story – acting as a key facilitator to an attractive user experience for financial advisors, and acting as its biggest driver of efficiency.

Sonata enabled our client to quickly, easily and flexibly launch new products, it provided an integrated front and back office view of Partners Life's customers, and supported the scale required for its rapid business growth. Partners Life gained 13 per cent of the market, or \$23 million, in its first eleven months of operation, with an expected 20 per cent, of the market or \$43 million in the second year.

A disruptive new market entrant, Partners Life has achieved all this at 50 per cent of the cost compared to rest of the market and CEO, Naomi Ballantyne, is happy to talk about the contribution our technology has made towards her business' success.

We've also spent considerable time working with Russell Investments on its implementation of Sonata. A client for more than 15 years using our legacy superannuation products, Russell Investments chose to implement Sonata in 2011.

Sonata's ability to rapidly launch new products, improve business systems and support straight through processing, is key to supporting Russell's continued growth and partnership with advisors and dealer groups.

Aside from our success with Sonata, we have made a great deal of progress and invested into all of our core and legacy products, as outlined in our 2012 Annual Report.

[Clients]

Bravura Solutions supports a growing list of blue chip clients across the globe in Australia, New Zealand, Asia, the UK, Europe and South Africa.

Over the past financial year, Bravura Solutions has signed five new contracts with existing clients, including BNY Mellon, Statewide, Politis Investment Strategies, Russell Investments and an Australian government client. We also completed three client go-live implementations, two with Russell Investment and

one with Australian Ethical Investment, and performed 79 client software upgrades across Rufus, GFAS, Babel, ODS, Talisman, Garradin, ePASS and heritage products Calibre, SAS and SuperB.

I'd like to take this opportunity to thank all of our clients for their continued and enhanced support over the year.

[Awards and achievements]

I am extremely pleased that we have once again received a number of awards, as well as achieving significant milestones.

For the fifth consecutive year, Bravura Solutions maintained its position in the FinTech100 as the sole Australian company among the world's top 100 technology vendors to financial services companies. This financial year, we were included in the list for the sixth time and maintained our ranking.

In addition, we helped our client, Bao Viet Life, to win a Celent Model Insurer Asia award in the Policy Administration category. Recognising companies that best apply technology to drive business performance, Bao Viet Life was given the award based on improved system flexibility and its move to a new business model that the implementation of our technology was pivotal to.

Bravura Solutions also received the 2012 Good Accreditation Standard in the UK, and won the XCelent award based on our client service, as selected by Celent.

With regard to milestones, towards the end of last year, we surpassed one million KiwiSaver members supported on our wealth management applications. KiwiSaver is the New Zealand equivalent to Australia's superannuation. The majority of the country's total 1.8 million KiwiSaver accounts are now administered on Bravura Solutions applications – testament to the quality of our software and its depth of functionality.

[Strategy]

The Board and Executive Team have committed to a series of strategies that will focus on moving the Company forward. We will continue to accelerate the adoption of Sonata as the wealth management application of choice for key companies in the Asia Pacific and European markets, and anticipate global growth driven by legislative change and the increasing growth of a wealthy middle class, particularly in emerging markets.

By specifically positioning Sonata as a key strategic application with our major blue chip administration clients, we intend to leverage off their success and continue to work with them to attract additional business for their services,

mirroring the success we have experienced in the European transfer agency market. In order to support this anticipated growth, we have increased our sales resources and delivery capability appropriately to cover the needs of our existing and future client base.

We expect to witness increasing levels of demand for life insurance administration applications in multiple geographic markets, particularly Asia, where Sonata is well suited to industry needs.

We will maintain our focus on cost management through further investment in our Indian and Polish operations, as we gain further benefits in productivity, efficiency and flexibility.

We also expect increasing interest in our application hosting capabilities both in Europe, where we currently manage most of our UK clients under this arrangement, and extended to Australia and New Zealand where this is now available. As we continue discussions with clients around our capabilities, we are enthusiastic about early signs of interest.

We will continue to invest in our processes, procedures, products and people to ensure that we deliver the highest possible level of business applications, implementations and service to our growing client base.

[Conclusion]

In conclusion, I would like to thank all of our employees and the Executive Team for their hard work and dedication, as well as the Board of Directors for their commitment and guidance over the past year. I look forward to working with you all as we remain firmly committed to growth.

2012 AGM CEO'S ADDRESS

Presented by Tony Klim
23 October 2012

➤ SOLID FINANCIAL PERFORMANCE

SALES REVENUE

\$126.6m

5 per cent increase from FY2011

EBITDA

\$23.2m

22 per cent increase from FY2011

NET PROFIT AFTER TAX

\$5.4m

126 per cent increase from FY2011

NET OPERATING CASH FLOW

\$20.7m

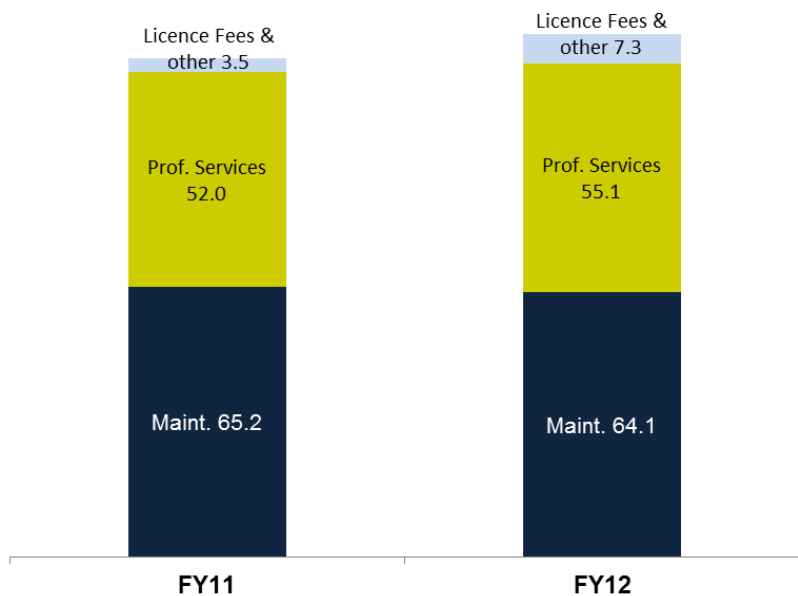
29 per cent increase from FY2011

➤ OPERATING REVIEW - DIVISIONS

KEY TRANSFER AGENCY CLIENTS

- BNY Mellon
- JP Morgan
- Lloyds Banking Group
- Schroders
- Legal & General
- Citi

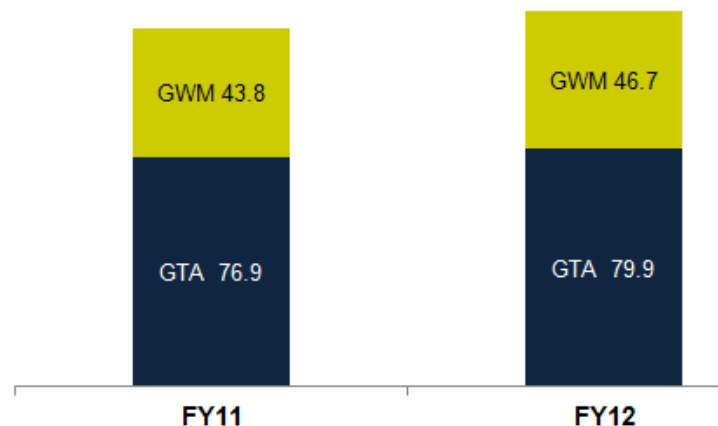
Revenue by Business Line (\$Am)



KEY WEALTH MANAGEMENT CLIENTS

- Citi
- Russell Investments
- Partners Life
- Perpetual
- Northern Trust
- Bao Viet Life
- ABSA
- CBA

Revenue by Division (\$Am)



➤ OPERATING REVIEW – INDIA

- Brought great efficiencies to business operations
- Commenced September 2011 with 41 employees
 - Transferred from Fidelity as part of MFT acquisition
- Team more than doubled in size
 - Supports Transfer Agency and Wealth Management divisions

DEVELOPMENT AND GROWTH OF SONATA

- Partners Life
 - Impressive start-up life insurance story
 - Technology biggest driver of business efficiency
 - Supports rapid, scalable growth
 - Cost effective
- Russell Investments
 - 15 year client using legacy software implemented Sonata
 - Key benefits of Sonata:
 - Rapid launch of new products
 - Improved business systems
 - Support for straight through processing

► CLIENTS

- Clients across Australia, New Zealand, Asia, the UK, Europe and South Africa
- Five new contracts signed
 - BNY Mellon - Rufus, Babel
 - Statewide - ePASS
 - Politis Investment Strategies - Garradin
 - Russell Investments - Sonata
 - Australian government client - ePASS
- Three go-live implementations
 - Russell Investments - Sonata and ePASS
 - Australian Ethical Investments - Garradin
- 79 upgrades
 - Rufus, GFAS, Babel, ODS, Talisman, Garradin, ePASS and heritage products Calibre, SAS and SuperB

➤ AWARDS AND ACHIEVEMENTS

AWARDS

- Sole Australian company in FinTech 100, top 100 financial services vendors
 - Fifth consecutive year
- Technology applied assisted BaoViet Life to win Celent Model Insurer Award
 - Application of technology to drive business performance
- 2012 Good Accreditation Standard
- XCelent award for Service selected by Celent

ACHIEVEMENT

- Surpassed 1 million KiwiSaver members supported on our technology

- Accelerate adoption of Sonata
 - Choice for key players in APAC and EMEA
 - Leverage success of client base to increase business on application
 - Increased sales resources and delivery capabilities to manage future needs
- Maintain cost management focus
 - Further investment in India and Poland operations
 - Benefit from productivity gains, efficiency and flexibility benefits
- Expand hosting capabilities from UK/Europe to Australia and New Zealand
 - Good early signs of interest
- Invest in processes, procedures, products and people

AGM PRESENTATION

Committed to growth

Thank you