



## **AGM speech FY2009**

### **Simon Woodfull - Group CEO & Director - Operations**

Thank you Iain.

#### **[Regions]**

Bravura continues to experience stable revenue in the two main regions where it operates: Europe, Middle East and Africa, and Asia Pacific. In FY2009, EMEA contributed \$85.2 million, or 64 per cent of revenue, while APAC contributed \$48.3 million, or 36 per cent of revenue.

Overall, EMEA revenue increased slightly by \$2.3 million and APAC revenue decreased slightly by \$4.6 million.

I will break the regional revenue down further as I cover off each region individually.

#### **[Australia]**

Our revenue in Australia for FY2009 was \$34.5 million, a 14 per cent decrease from FY2008. Revenue declined by \$5.6 million due to lower level licence contract renewals during the year. Maintenance and professional services performed well under difficult operating conditions.

The overall focus for the Australian region was on implementations, client delivery and the roll out of new product functionality, which included legislative updates.

Importantly, we amalgamated and modernised a number of internal business processes, resulting in 97 per cent of critical client issues responded to within 24 hours – we are extremely proud of this. Changes to team structure and the introduction of additional management have also helped us to better serve our clients.

Focus for the year ahead will once again be around client implementations, frequent client communication and effective resource management. We will also focus on securing new opportunities for our already healthy pipeline, cross-selling services to existing clients and migrating clients off legacy platforms.

#### **[New Zealand]**

Our revenue in New Zealand for FY2009 was \$5.4 million, a 17 per cent decrease from FY2008. Revenue declined by \$1.1 million due to a reduction in discretionary spend on professional services as projects were postponed by major financial institutions.

The New Zealand region continued their KiwiSaver focus, making additional enhancements to existing software. Our software is now supporting approximately 50 per cent of KiwiSaver members in New Zealand, a pleasing result.

Focus for the year ahead will be on supporting existing clients to take advantage of product and technology improvements and innovation, and responding to new opportunities.

#### **[Asia]**

Our revenue in Asia for FY2009 was \$8.4 million, a 25 per cent, or \$1.7 million increase from FY2008.

The Asian region also focused on client delivery, successfully rolling out the first phase of our project with New York Life International in Thailand, and commencing our implementation project with Bao Viet in Vietnam.

Focus for the year ahead will be on increasing market share for life insurance applications and leveraging off regional implementations. We're also focused on growing our consulting practice in the region.

### **[United Kingdom/Europe/South Africa]**

Our revenue in the United Kingdom, Europe and South Africa, known as EMEA, was \$85.2 million, a three per cent, or \$2.3 million increase from FY2008.

The EMEA region focused on client migrations, implementations, product development and integrations. A number of clients went live on our platforms, with aggressive timeframes successfully met. Enhanced project governance and a new organisational structure were also implemented to improve business efficiency and client delivery, including the further establishment of our Johannesburg office in South Africa.

Focus for the year ahead will be on the large number of client projects that we expect to commence. We will also focus on upgrading existing customers. From an internal perspective, we will continue to align corporate objectives with our performance management process and implement a resource pool structure to improve our team agility and allow us to take on additional work.

### **[Operating expenses]**

Operating expenses were in line with FY2008, with a marginal increase of \$0.2 million. As a company, we have focused on reducing operating expenses to drive improvements in EBITDA margins from recurring revenue streams. We have restructured EMEA operations to align with the APAC operating structure and have already benefitted from improved efficiency.

### **[Increasing operational efficiency and effectiveness]**

Over the past financial year, we have undertaken a number of cost management initiatives to maintain a lean cost base to sustain competitiveness, drive operational efficiency and increase profitability. We believe that our ability to remain nimble and switch our short-term focus for long-term strategic goals has seen us well through the current economic crisis.

Over the past year, we have focused on software testing efficiencies and improvements, not only leading to better implementations for our clients, but enabling us to improve internal efficiency alongside project management.

Last year, we outlined that we were beginning to redeploy professional services employees from mature products into growth products. We have continued with this over the past year, and many of our employees have been assigned to new products and are benefiting from being up-skilled.

Following the implementation and increased usage of a new HR system over the past financial year, we have also been able to maintain better HR management of our employees and their leave entitlements. Many employees have also taken the opportunity to transition from full-time work to part-time work during slower periods during the year, benefitting both employees and the Company. We will continue to ensure that the number of our employees dedicated to software maintenance match the available revenue streams.

We have invested in improving our project governance processes through enhanced Project Management oversight functions, CRM and management information tools and standards. In the coming financial year, this will allow for more proactive management, improved forecasting, streamlining of processes, and an even better understanding of employee resourcing and utilisation.

As mentioned, we implemented a new EMEA organisational structure which has made our business more efficient and enabled the smoother delivery of quality solutions to our clients at the right margin. The new structure is already showing tangible signs of improvement and promotes greater financial accountability, further empowerment of employees and enhanced resource flexibility.

And finally, we are better utilising our technical centres of excellence based in Auckland, Melbourne, Adelaide and Warsaw to improve both quality, process control and cost containment.

Overall, we believe that the control mechanisms we have implemented are contributing significantly towards our goal of improving operational efficiency and effectiveness.

### **[Clients]**

We currently provide software applications and support to more than 180 financial institutions globally. Our largest client numbers are still in Australia, followed by the United Kingdom and Europe.

Overall, we secured five new clients this year as well as securing a number of new contracts and extensions with existing clients. Our five year contract with JPMorgan is the largest contract ever signed, particularly pleasing in times like these. Important to note is that we have won new clients in all the geographic regions where we operate, with each new client purchasing a different solution. We are extremely fortunate to have a very loyal client base, which see and believe in the value that we add to their businesses every day.

### **[Managing and developing talent]**

We currently employ over 570 professionals across our 14 offices around the globe. We believe that people are the key to our success and encourage our employees to succeed on an individual level, as well as contributing to the team

environment. We believe in creating an environment that encourages and fosters the development and success of all our employees through continued support. Our average length of service per employee of over five years is testament to this. I would like to take this opportunity to thank our team of highly skilled employees for their contributions and effort, in what has been a difficult time and environment for many.

I would also like to formally welcome our new Chief Financial Officer to the Executive team. Mrs Rebecca Norton commenced her role with us in April. She has 16 years of finance experience throughout Australia, New Zealand, Asia and Europe.

### **[Conclusion]**

In conclusion, the operating outlook for Bravura Solutions is bright. As a whole, the outlook for the APAC region is extremely promising and we expect to increase activity from a number of different areas in both Australia and New Zealand. During difficult economic conditions in Asia, it's encouraging to still see significant investment in the Thailand and Vietnamese markets.

The EMEA region is expected to generate additional sales and professional services work, and to leverage our enviable track record of delivering robust and market leading solutions to our clients.

Overall, during this period of economic uncertainty, there may be further consolidation in the financial services industry. We see this as an opportunity to assist our clients with cost reduction techniques and to help them create a strong platform for future growth.

Thank you.

I'll pass you back to Neil.



# 2009 Annual General Meeting Operating review

Presented by Simon Woodfull

20 November 2009

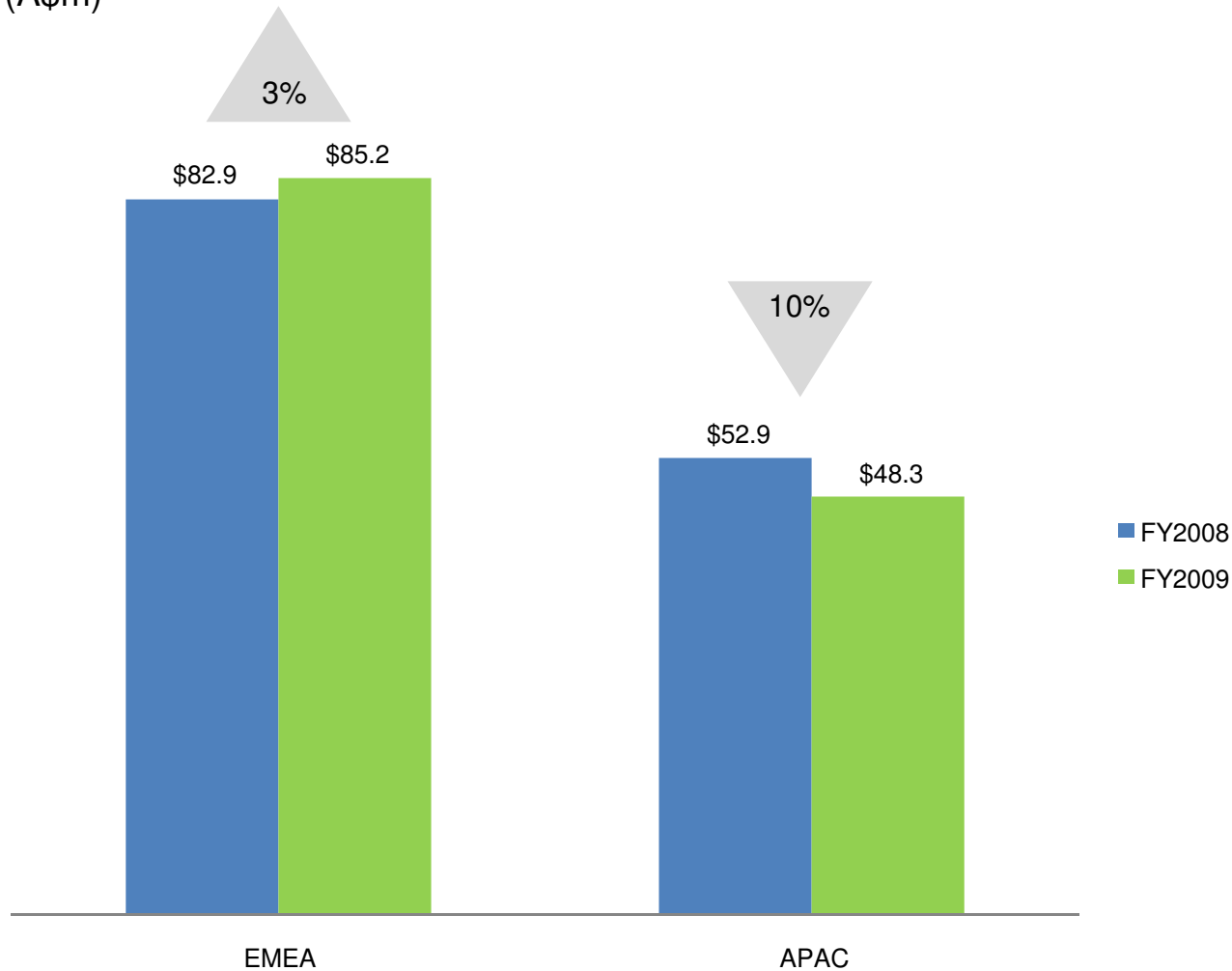


# APAC and EMEA



## Revenue by region

(A\$m)



EMEA = 64%  
APAC = 36%



- FY2009 revenue was \$34.5m
- Decline of \$5.6m due to lower level of licence fee renewal during the year
- Maintenance and professional services revenue performed well
- Focus for FY2009 was implementations, clients delivery and product functionality rollouts
- Focus for next year will be on client implementations, client communication and effective resource management

# New Zealand



- FY2009 revenue was \$5.4m
- Decline of \$1.1m due to reduction in discretionary spend on professional services with projects postponed
- Focus for FY2009 was KiwiSaver and software enhancements
- Focus for next year will be on supporting existing clients and responding to new opportunities



- FY2009 revenue was \$8.4m
- Focus for FY2009 was on client delivery
- Successfully rolled out NYLI in Thailand
- Commencing Bao Viet implementation in Vietnam
- Focus for next year will be on further increasing market share and growing our consulting practice in the region

## United Kingdom / Europe / South Africa



- FY2009 revenue was \$85.2m
- Focus for FY2009 was on client migrations, implementations, product development and integrations
- Enhanced project governance and new organisational structure implemented
- Further established Johannesburg office
- Focus for next year will be on commencing client projects, upgrades and internal performance management

# Operating expenses



- FY2009 expenses in line with FY2008 expenses
  - Marginal increase of \$200k
- Focus on reducing operating expenses to improve EBITDA margins






# Operational efficiency and effectiveness



- Cost management initiatives to sustain competitiveness, drive operational efficiency and increase profitability for long-term success
  - Software testing efficiencies and improvements
  - Redeploy employees from mature to growth products
  - Employee management
  - Match employee numbers to revenue levels
  - Improved project governance and project management processes
  - New EMEA organisational structure
  - Better utilisation of technical centres of excellence
- Control mechanisms have successfully contributed towards improving efficiency and effectiveness

# New client wins



Northern Trust	JP Morgan	Bao Viet	Health Super	Myer Family Office
 <ul style="list-style-type: none"> <li>▪ 3 year contract agreement</li> <li>▪ Investment and superannuation solution</li> <li>▪ Expected to go-live towards end of 2009</li> </ul>	 <ul style="list-style-type: none"> <li>▪ 5 year contract agreement</li> <li>▪ Transfer agency solution</li> <li>▪ Contribute to FY2010 and FY2011 revenues</li> </ul>	 <ul style="list-style-type: none"> <li>▪ 5 year contract agreement</li> <li>▪ Life insurance solution</li> <li>▪ Worth approx. A\$5.8m</li> </ul>	 <ul style="list-style-type: none"> <li>▪ 6 year contract agreement</li> <li>▪ eBusiness software solution</li> <li>▪ Expected to go-live towards end of 2009</li> </ul>	 <ul style="list-style-type: none"> <li>▪ 5 year contract agreement</li> <li>▪ Unit registry solution</li> <li>▪ Expected to go-live Q2 2009</li> </ul>

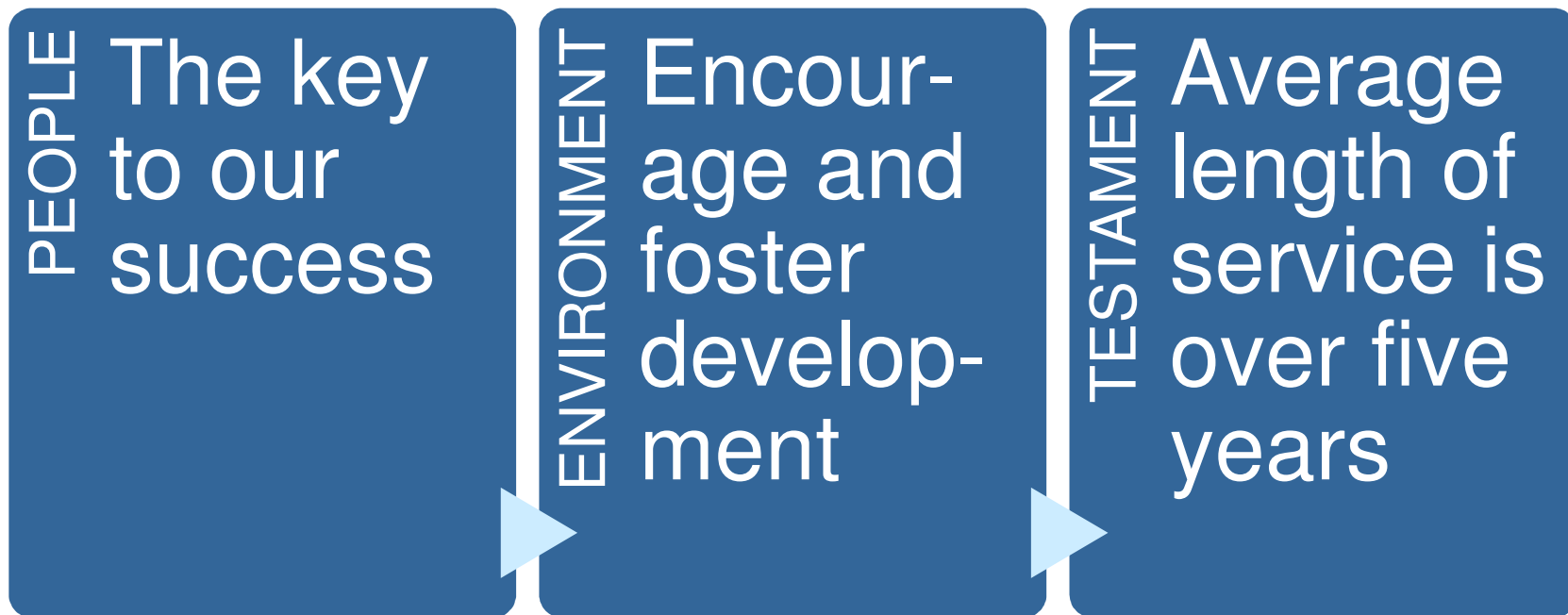
## New contracts/extensions with existing clients



- Equity Trustees limited signed a five year deal to upgrade to our portfolio administration solution
- Legal and General extended their contract to use our transfer agency solution
- Scottish Friendly expanded its agreement to enable it to service Aviva's Lifetime proposition
- Statewide entered into agreement for implementation of our superannuation solution, and extended licence for eBusiness solution



# Our people



## In conclusion



- Operating outlook is positive despite economic conditions
- Promising APAC region:
  - Increased activity expected in Australia and New Zealand
  - Significant investment expected from Asia
- EMEA region expected to generate additional sales activity



Thank you

