

ASX Announcement

GBST TO ACQUIRE COEXIS

POSITIONS THE GROUP FOR FUTURE GLOBAL GROWTH

HIGHLIGHTS

- UK based Coexis is a leading global provider of software for the securities industry.
- GBST and Coexis are planning to execute the Share Sale Agreement for the acquisition of Coexis with an expected completion date of 30 November 2008.
- The transaction will significantly increase GBST's global reach and expansion via Coexis' existing international customers, prospects and distribution channel.
- Syn[™], the core technology created by Coexis, provides GBST with a modern, future development platform for modelling financial market applications.
- Coexis has developed Syn[™] solutions for middle-office, back-office, reference data, corporate actions, correspondent clearing and central securities depositories (CSD).

GBST Holdings Limited (ASX: GBT) today announced its planned strategic acquisition of Coexis Limited, a leading UK-based provider of next generation software technology and applications for the global securities industry. In principle agreement has been reached and the full documentation is being finalised.

This strategic acquisition further extends the suite of products and services immediately available through the Group's Broker Services division and significantly expands the scale of GBST's global operations.

GBST Chief Executive Officer Stephen Lake said: "GBST recognises the need for further scale in its operations across a broader range of customers. In Gartner's recently published MarketScope for Securities Processing Systems¹ research, which reviewed systems and vendors in this market space, no other vendor, including the largest, ranked higher than Coexis. The combining of GBST and Coexis has the potential to substantially meet this need for scale and significantly extends GBST's global reach."

The cornerstone of Coexis' offering is Syn[™], the key technology created by Coexis and now recognised as the next generation of software development. The Gartner research awarded Syn[™] a "positive" judgement and highlighted Syn[™]'s strengths which include componentised configurability, full multi-currency, third generation software engineering and an absence of legacy architecture. Syn[™] enables modelling of business flows and the creation of financial market applications for institutional brokers, global investment banks

¹ Gartner Industry Research ID G00160652 23 September 2008
MarketScope for Securities Processing Systems by James Wolstenholme

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and securities exchanges that provide true exception based processing, greater scalability and flexibility and a faster time to market.

Coexis operates in multiple locations including London, New York, Hong Kong, Singapore and Paris and has an established distribution channel comprising systems integrators, independent software vendors and correspondent clearers. Recently in The Sunday Times Microsoft Tech Track 100 league of fastest growing UK technology businesses, Coexis was ranked 92. The company achieved a 40% Compound Annual Growth Rate on revenues over three years and was the only software provider to the financial services market to feature in the table.

The existing clients of Coexis have already deployed Syn⁺ solutions globally for multi-site middle and back office securities processing, enterprise-wide reference data management, multi-exchange and multi-CSD solutions. A number of major new investment banks and brokers are currently implementing Syn⁺ solutions in these locations.

GBST will work closely with Coexis' senior management team, led by Chairman Terry Williams and Chief Executive Officer Sunil Shah to exploit growth opportunities within the securities industry and move into new functional and geographical markets. Prior to joining Coexis in 2002, both Terry, the original founder of Wilco, and Sunil were directly responsible for the global expansion of ADP Wilco. Dr. Tim Rhodes, the original architect of the Syn⁺ platform, will also continue to provide input in an advisory capacity.

Coexis Chief Executive Officer Sunil Shah said: "This is a win, win situation for GBST, Coexis, and all our customers and partners. We are excited by the opportunity of joining GBST which has a strong reputation in the marketplace and extending the benefits of our complementary products to an enlarged customer and prospect base. Together, we expect to become a more formidable organisation with a broader range of solutions – for both the retail and investment banking sectors as well as wealth management. We now have a greater critical mass and the operations momentum necessary to expand further on a global scale."

Key Financials

- GBST will pay £12.5 million cash and 7,336,000 scrip up-front and a further deferred amount of £1.5 million cash and 1,414,000 in scrip (subject to shareholder approval) over the next 2 years. The cash component will be debt funded and financing has been confirmed.
- GBST will acquire approximately £17 million in intangible assets and goodwill.
- Approximately 58M GBST shares on issue post-completion. Shares issued will be held in escrow for 2 years post-completion.
- Apportionment under A-IFRS between Goodwill and other Intangible assets is intended to be finalised prior to the completion of financial statements for the half-year ended 31 December 2008.
- Net profit before tax for financial year ending December 2008 for Coexis is forecast to be about £4.5 million from forecast revenues of around £12.7 million.
- The transaction is expected to be cash EPS accretive by FY 2010.
- A further earn-out of up to £4 million is payable over two years ending December 2010 should the business achieve certain "stretch" performance targets.

Integration Plans

- Stephen Lake will be CEO and Managing Director of the combined business.
- Coexis will operate as a business area within the GBST Broker Services division. It will focus on global activity and be led by Sunil Shah, the current CEO of Coexis.
- GBST and Coexis executives will continue in their current roles and the existing Coexis management team will stay in place.
- The transaction is expected to provide significant career opportunities to all staff.
- Post-completion, the expanded GBST Group will have over 400 staff across 8 offices in 3 continents.

Advantages of Syn~ solutions

Syn~ solutions excel at improving efficiency and reducing cost in complex multi-market, multi-company environments (including for example the servicing of multiple clients in a correspondent clearing scenario) across multiple geographies where different products and markets require different processing lifecycles.

As well as improving straight through processing (STP), Syn~ solutions form a solid foundation for automating STEP (Straight Through Exception Processing) through the close automated interaction of the transaction and reference data business processes and life cycles in securities processing. Workflow and managing the automated business process is integral to all Syn~ solutions.

Syn~ offers a proven alternative to a big bang replacement approach when updating or changing systems by facilitating an incremental migration from legacy systems without impacting existing service.

Syn~ has been designed from the outset as a scalable grid processing environment, thus providing clients with the ability to increase infrastructure costs marginally as business volumes grow.

About Syn~ and Coexis www.syn.com

Coexis, the creator of Syn~®, provides next generation software technology and applications which meet the dynamic business needs of the global securities industry. Syn~ is built using current state-of-the-art technology and engineered specifically to solve the market need to process exceptionally high volumes. With their unique model-based and application lifecycle approach, Syn~ solutions allow organisations to re-engineer and automate business processes and provide the perfect alternative to high cost bespoke solutions or rigid off-the-shelf packages. They cover middle and back office securities processing, enterprise-wide reference data management, multi-exchange and multi-CSD (Central Securities Depository).

About GBST www.gbst.com

GBST provides securities transaction and fund administration software for the financial services industry. The company has two divisions:

- *GBST Broker Services* is Australia's leading provider of client accounting and securities transaction technology. Capital market participants such as banks, clearing houses, custodians, fund managers, margin lenders and institutional and retail stockbrokers use GBST's specialist market access and transaction solutions to process approximately \$130 billion of ASX trades every month.
- *GBST Wealth Management* is the leading provider of funds administration and registry software to the Australian wealth management industry. It offers an integrated system for the administration of wrap platforms, master trusts,

superannuation, pensions, risk and debt. GBST's wealth management software administers funds valued at more than \$150 billion in Australia and the United Kingdom.

Listed on the Australian Securities Exchange in June 2005, GBST has over 250 staff in offices in Brisbane, Sydney, Melbourne, Wollongong, Adelaide and London.

Contact:

Stephen Lake
Managing Director/CEO
GBST Holdings Limited
Phone: + 61 7 3331 5555
Email: stephen.lake@gbst.com

Or

Patrick Salis
CFO
GBST Holdings Limited
Phone: + 61 2 9253 6555
Email: patrick.salis@gbst.com

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