PROSPECTUS

INITIAL PUBLIC OFFERING OF ORDINARY SHARES IN GENTRACK GROUP LIMITED

26 MAY 2014 (AS AMENDED ON 4 JUNE 2014)

Arranger, Lead Manager and Organising Participant.

IMPORTANT NOTICE

This Prospectus has been prepared in accordance with the Securities Act and the Securities Regulations, relating to the Offer of ordinary shares (**Shares**) in Gentrack Group Limited (**GGL**) by GGL and Gentrack Share Sale Company Limited (the **Offeror** and, together with GGL, the **Issuers**). It is prepared as at and dated 26 May 2014 (as amended by an instrument to amend dated 4 June 2014). All references in this Prospectus to "this Prospectus" are to be read as "this Prospectus, as amended" and all references in this Prospectus to "the Prospectus" are to be read as "the Prospectus, as amended".

The purpose of this Prospectus is to provide certain key information that is likely to assist you to decide whether or not to acquire Offer Shares.

This Prospectus is an important document and should be read carefully before deciding whether or not to invest in Offer Shares. Applicants should be aware that other important information about the Offer Shares is set out in other documents, including the Constitution and the Investment Statement.

No-one is authorised by the Directors to give any information or make any representation in connection with this Offer which is not contained in this Prospectus, the Investment Statement or in other communications from the Directors and the Issuers. You should not rely upon any information or representation which is not contained within this Prospectus or the Investment Statement or which has not been specifically authorised by both the Directors and the Issuers.

If you are in any doubt as to any aspect of the Offer you should consult your financial or legal adviser.

You should seek your own taxation advice on the implications of an investment in Offer Shares.

No Guarantee

No person guarantees the Offer Shares offered under this Prospectus. No person warrants or guarantees the performance of the Offer Shares or any return on any investments made pursuant to this Prospectus.

Registration

A copy of this Prospectus, duly signed by or on behalf of the Issuers and the Directors, and having endorsed thereon or attached thereto copies of the documents and other materials required by section 41 of the Securities Act, has been delivered to the Registrar of Financial Service Providers for registration in accordance with section 42 of the Securities Act.

The documents required by section 41 of the Securities Act to be endorsed on or attached to the copy of this Prospectus delivered to the Registrar of Financial Service Providers are:

- the report of the Auditor in respect of certain financial information included in this Prospectus, which includes the signed consent of the Auditor to the audit report appearing in this Prospectus;
- the signed consent of the Investigating Accountant to the investigating accountant's report appearing in this Prospectus; and
- copies of the material contracts referred to under the heading "Material Contracts" in Section 12 *Statutory Information* of this Prospectus.

Consideration Period

Pursuant to section 43C of the Securities Act, the Financial Markets Authority will be notified once this Prospectus is registered with the Registrar of Financial Service Providers. The Financial Markets Authority will have the opportunity to consider whether this Prospectus: (a) complies with the Securities Act and the Securities Regulations; (b) contains any material misdescription or error or any material matter that is not clearly legible; or (c) is false or misleading as to a material particular or omits any material particular. Nothing in this section or in any other provision of the Securities Act limits the Financial Markets Authority's power to consider or reconsider these matters in respect of this Prospectus at any time.

To avoid any doubt, the Financial Markets Authority has not approved, and will not at any time approve, the Offer or this Prospectus and does not guarantee the Offer Shares.

The Financial Markets Authority may, if it considers that it is desirable in the public interest, exercise its powers to: (a) make an order prohibiting the allotment of the Offer Shares under this Prospectus for a period not exceeding 18 months; and/or (b) cancel the registration of this Prospectus. If the Financial Markets Authority makes an order prohibiting the allotment of the Offer Shares under this Prospectus, no allotment may be made of any Offer Shares applied for (whether before or after the order is made) during the period in which the order is in force and all Applications received for the Offer Shares that have not been allotted before the order is made must be immediately repaid to subscribers. If the Financial Markets Authority cancels the registration of this Prospectus, no allotment may be made of any Offer Shares applied for (whether before or after the order is made) and all Applications received for Offer Shares that have not been allotted before the cancellation must be immediately repaid to Applicants.

The nature and extent of the consideration (if any) that the Financial Markets Authority gives to this Prospectus is at the Financial Markets Authority's discretion. Pursuant to section 43D of the Securities Act, no allotment of the Offer Shares may be made and no Applications for the Offer Shares may be accepted during the Financial Markets Authority's consideration period. The consideration period commences on the date this Prospectus is registered and ends at the close of five working days after the date of registration. The Financial Markets Authority may shorten the consideration period, or extend it by no more than five additional working days.

Selling Restrictions

The Retail Offer is being made to members of the public in New Zealand, Directors, and eligible employees in New Zealand, Australia and the United Kingdom, and the Institutional Offer is being made to selected Institutional Investors.

You may not offer, sell (including resell), deliver or invite any other person to so offer, sell (including resell) or deliver any Offer Shares or distribute any documents (including this Prospectus) in relation to the Offer Shares to any person outside New Zealand or Australia, except in accordance with all of the legal requirements of the relevant jurisdiction.

None of the Issuers, nor any of their respective directors, officers, employees, consultants, agents or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.

Risk and Suitability of an Investment in the Offer Shares

This Prospectus does not take into account each investor's investment objectives, financial situation and particular needs. You should read this Prospectus in full before deciding whether to invest. In particular, you should consider the risk factors that could affect the performance of the Shares, particularly with regard to your personal circumstances. If you are in any doubt as to any aspect of the Offer you should consult your financial or legal adviser or an NZX Firm.

Authorised Financial Advisers must operate by the Code of Professional Conduct for Authorised Financial Advisers. The Code sets minimum standards of competence, knowledge and skills, of ethical behaviour, and of client care. An Authorised Financial Adviser is able to provide you with personalised advice on an investment decision relating to the Offer Shares.

Prior to giving you any recommendations, an Authorised Financial Adviser is required to analyse the Offer Shares to a level that provides a reasonable basis for any such recommendations (including relying on the analysis of another person, upon whose analysis it is reasonable to rely in all the circumstances).

Forward-Looking Statements

This Prospectus contains certain statements that relate to the future, including, in particular, the information set out under the heading “Prospective Financial Information” in Section 9 *Financial Information* of this Prospectus. Forward-looking statements should be read together with the other information in this Prospectus, including the risk factors in Section 8 *What are my Risks?* of this Prospectus and the assumptions and the sensitivity analysis set out under the heading “Prospective Financial Information” in Section 9 *Financial Information* of this Prospectus.

Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of the Issuers and which may cause the actual results, performance or achievements of the Shares to differ materially from those expressed or implied by such statements. The Issuers disclaim any responsibility to update any such risk factors or publicly announce the results of any revisions to any of the forward-looking statements contained in this Prospectus to reflect developments or events, except to the extent required by the Securities Act, the Securities Regulations the NZX Listing Rules, the ASX Listing Rules or the Financial Reporting Act.

Given these uncertainties, you are cautioned not to place undue reliance on any forward-looking statements contained in this Prospectus. Under no circumstances should you regard the inclusion of forward-looking statements as a representation or warranty by the Issuers, their respective directors or officers or any other person referred to in this Prospectus with respect to the achievement of the results set out in any such statement, or that the underlying assumptions used will in fact be realised.

Definitions

Capitalised terms used in this Prospectus have the specific meaning given to them in Section 14 *Glossary* (including certain industry specific terms with which you may not be familiar with). If you do not understand the technical terms used in this Prospectus, please refer to the grey “Call-out-boxes” in Section 5 *Market Overview* and Section 6 *Business Description* of this Prospectus or to the Glossary at the back of this document.

Unless otherwise indicated, $ or NZ$ refers to New Zealand Dollars, A$ refers to Australian Dollars and all references to times and dates are to times and dates in New Zealand.

This Prospectus refers to various legislation in force in New Zealand as at the date of this Prospectus. You can view free of charge copies of any such legislation online at www.legislation.govt.nz.

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SECTION 1: GENTRACK SNAPSHOT

References to “Gentrack”

In this Prospectus, the term **Gentrack** refers to: (a) GGL and its subsidiaries, for so long as GGL has been the ultimate parent company of Gentrack Limited; and (b) in respect of periods before that, means the group of companies comprising the ultimate parent company of the two trading subsidiaries (Gentrack Limited and Gentrack Pty Limited) and its subsidiaries, including Talgentra Pacific Group Pty Limited (once incorporated in 2007).

Gentrack financial information

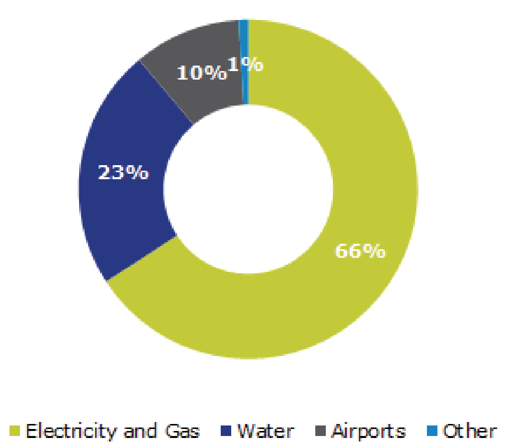
Unless otherwise noted, all of the financial information presented in this document is shown on a Pro Forma basis in order to show the underlying performance of Gentrack through time in a consistent manner. For a full explanation of the term Pro Forma and descriptions of the Pro Forma adjustments made by Gentrack, please see Section 9.2.1 *Financial information presented*. Financial information shown on a Pro Forma basis will be denoted by the suffix PF (i.e., FY2013PF). Relevant definitions are set out in Section 14 *Glossary* of this Prospectus.

Mission Critical Software Solutions for Utilities + Airports

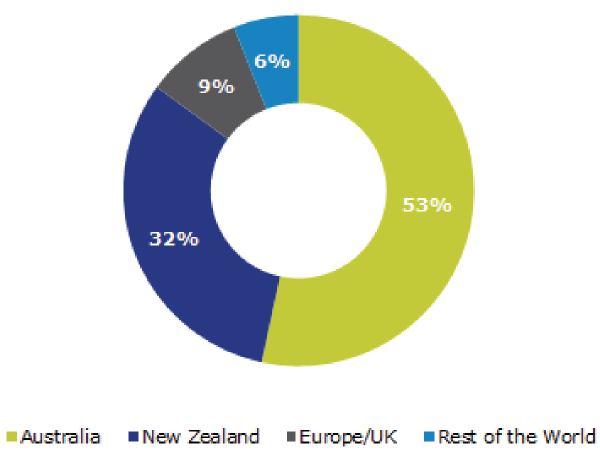
Gentrack designs, develops, implements and supports specialist software solutions for electricity, gas and water utilities and airports. Gentrack's software is designed to support the core billing, customer care and collections processes for utilities in competitive and reforming markets, as well as the real-time information flows and resources of modern airports. Gentrack’s flagship software solutions include:

- For utilities: Gentrack Velocity®
  - Gentrack Velocity is an intelligent customer relations, billing, process management and payment collections product used by electricity, gas and water utilities. Gentrack Velocity is designed to enable utilities to bill customers accurately, improve customer engagement and optimise the cost of servicing customers.
- For airports: Airport 20/20®
  - Airport 20/20 is a comprehensive airport operational system. This fully integrated system includes solutions for aeronautical billing, flight information display, resource management, airport operational database, interactive dashboards, message broking and collaborative decision making. Airport 20/20 is designed to help airports improve their efficiency, reduce costs and optimise revenue.

FY13 revenue by customer type



FY13 revenue by geography



Purpose of the IPO and Use of Proceeds

- To provide additional assurances to Gentrack's existing and future customers as to its status as a robust contracting counterparty.

- To enhance Gentrack's financial flexibility to pursue further growth opportunities. As part of the IPO, capital will be raised to pay off all of Gentrack's existing debt of $33.1 million and transaction costs associated with the Offer.

- To allow Selling Shareholders to sell down some of their investment in Gentrack.

- To provide a liquid market for the Shares and an opportunity to improve the breadth of its share register, including ownership by Gentrack employees.

SECTION 2: OFFER AT A GLANCE

This is an initial public offering of ordinary shares in Gentrack Group Limited (**GGL**) by GGL and Gentrack Share Sale Company Limited (the **Offeror** and, together with GGL, the **Issuers**).

Your decision whether or not to invest in Offer Shares should be based on your consideration of this Prospectus taken as a whole (and of the Investment Statement) and not just this section, which provides an overview of the Offer.

As with any investment, there are risks associated with an investment in the Offer Shares. Therefore, you should consider the risk factors that could affect GGL's performance described in Section 8 *What are my Risks?* of this Prospectus.

How is the Offer structured?

The Offer comprises an offer by the Issuers of between 40.7 million and 44.3 million Offer Shares with a value of between $88.6 million and $101.8 million, based on the Indicative Price Range. These Offer Shares comprise:

- $36.0 million worth of new Shares, which are to be issued by GGL (being between 14.4 million to 18.0 million Shares based on the Indicative Price Range); and
- 26,310,972 of existing Shares, which are to be transferred by the Selling Shareholders to the Offeror (with a value of between $52.6 million and $65.8 million based on the Indicative Price Range).

The Offer comprises the Retail Offer (which in turn comprises a Broker Firm Offer and Employee Offer) and the Institutional Offer. You can find more about the Offer in Section 10 *Details of the Offer*.

Key dates[1]

Prospectus registered	26 May 2014
Bookbuild, Pricing and Allocation	5 June 2014
Offer Opening Date	9.00am, 9 June 2014
Offer Closing Date	5.00pm, 20 June 2014
Allotment Date	24 June 2014
Expected commencement of trading on the NZX Main Board and ASX	25 June 2014
Mailing of holding statements	No later than 2 July 2014
Expected date of first dividend payment following the Offer	December 2014

[1] This timetable is indicative only. The Issuers reserve the right to vary or extend the dates of the Offer, withdraw the Offer at any time before the Allotment Date and accept late Applications (either generally or in individual cases).

Key offer statistics

Indicative price per Offer Share[2]	$2.00 to $2.50
Expected number of Offer Shares[3]	40.7 million to 44.3 million
Total number of Shares on issue upon completion of the Offer[4]	72.1 million to 75.7 million
Total gross proceeds under the Offer[5]	$88.6 million to $101.8 million
Total gross proceeds from the issue of new Shares under the Offer	$36.0 million
Shareholding of all existing shareholders following the Offer[6]	41.5% to 43.5%
Capitalisation	
Implied Market Capitalisation	$151.4 million to $180.2 million
Prospective Net Cash (at 30 June 2014)	$1.2 million
Implied Enterprise Value	$150.1 million to $179.0 million

Key investment metrics

	FY2014PF	FY2015
Price / NPATA ratio	15.2x to 18.1x	14.0x to 16.7x
EV / EBITA multiple	10.9x to 13.0x	9.9x to 11.8x
Implied cash dividend yield[7]	1.4% to 1.7%	4.5% to 5.4%
Implied gross dividend yield[8]	2.0% to 2.4%	6.3% to 7.5%

These metrics are provided to help you assess Gentrack's value. Indicative Market Capitalisation, Implied Enterprise Value, prospective Price / NPATA ratio, prospective EV / EBITA multiple and prospective implied dividend yields are shown based on the lower and upper values of the Indicative Price Range. The calculations are explained in the table set out at the end of the Glossary.

2 The indicative price per Offer Share is indicative only. The Price will be set after the conclusion of the bookbuild process and may be within, above or below this range. The Indicative Price Range may be varied at any time by the Issuers.

3 Consisting of 14.4 million to 18.0 million new Shares to be offered by GGL and 26.3 million shares offered by Selling Shareholders through the Offeror. The actual number of Offer Shares may be below, within or outside this range.

4 Based on the number of existing Gentrack shares on issue as at the date of this Prospectus of 57,699,510 million plus 14.4 million to 18.0 million of new Shares to be issued under the Offer (based on the Indicative Price Range).

5 Based on the expected number of Offer Shares multiplied by the Indicative Price Range.

6 Based on the Indicative number of new Shares to be offered by GGL.

7 Based on the Indicative Price Range. Forecast dividend for FY2014 to be paid in December 2014 in respect of the three month period from allotment to 30 September 2014.

8 Cash dividend yield grossed up for imputation credits at the New Zealand corporate tax rate of 28%.

Gentrack has presented the financial information below on a 'Pro Forma' basis. Gentrack believes this Pro Forma information more closely reflects the Group's post-Offer organisation and provides a better basis for investors to assess both historical and prospective financial information. Gentrack has made Pro Forma adjustments for management buyout and other costs, one-off listing costs, public company costs and finance costs. For a full explanation of the term Pro Forma, the adjustments Gentrack has made to its financial information and why these adjustments have been made, please see Section 9.2 *Financial Information presented* under the heading “Pro Forma adjustments” of this Prospectus.

Selected Pro Forma financial information

$ million	Historical					Prospective	
(Year ended 30 September)	FY2009 Pro Forma	FY2010 Pro Forma	FY2011 Pro Forma	FY2012 Pro Forma	FY2013 Pro Forma	FY2014 Pro Forma	FY2015 Statutory
Revenue	23.6	25.9	32.2	34.3	40.1	40.6	44.7
EBITDA	7.8	8.6	11.4	11.8	14.0	14.0	15.5
EBITA	7.6	8.4	11.2	11.6	13.8	13.7	15.2
NPATA	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	10.0	10.8
Net Profit (Statutory)	3.5	4.7	6.0	4.1	6.6	3.7	9.3

Wherever prospective financial information appears in this Prospectus (including in the selected financial information and key investment metrics presented in this section) you should read that financial information together with the assumptions set out under the heading "Prospective Financial Information" in Section 9 *Financial Information* and also the risk factors set out in Section 8 *What Are My Risks?* of this Prospectus. There is no guarantee that the results set out in the Prospective Financial Information will be achieved.

The non-GAAP financial information used in this Prospectus has the following meaning:

NPATA	Net profit after tax, excluding amortisation of acquisition related intangibles.
EBITDA and Underlying EBITDA	Earnings before net finance expense, income tax, depreciation and amortisation. Underlying EBITDA is EBITDA before non-operating costs.
EBITA	Earnings before net finance expense, income tax and amortisation of acquisition related intangibles.
Pre-tax Free Cash Flow	Pre-tax Free Cash Flow is calculated as EBITDA less changes in working capital less capital expenditure.

You can find an explanation of trends in financial information and of EBITDA, underlying EBITDA, EBITA and NPATA, and why Gentrack uses these non-GAAP measures of financial performance, in Section 9.2.2 *Overview of Financial Information* of this Prospectus. A reconciliation of statutory Net Profit to Pro Forma NPAT, NPATA, EBITA, EBITDA, and Pre-tax Free Cash Flow is also included in Section 9.2.1 *Overview of Financial information presented* of this Prospectus.

SECTION 3: LETTER FROM THE CHAIRMAN

Dear investor

On behalf of the GGL Board, I am pleased to invite you to become a Shareholder in our company. Gentrack's vision is to be a recognised leader in the provision of enterprise application software to electricity, gas and water utilities and airports around the world.

By investing in Gentrack, you will have a direct stake in a suite of leading software solutions, designed to support the meter-to-cash cycle for electricity, gas and water utilities, as well as the complex billing and resource management requirements of airports. Our software is used to perform these mission critical functions in many well-known utilities across Australia, New Zealand and the United Kingdom and in large commercial airports globally. Our reputation for delivering these complex systems on time and on budget is a competitive advantage, which gives us long-term partnerships with our growing customer base.

Gentrack's markets are characterised by high technical and reputational barriers to entry. This is evident in our strong and consistent EBITA to revenue margins, which were 34.4% in FY2013PF.

The Gentrack business is driven by highly motivated staff and an experienced management team who have delivered EBITA growth for the five years to FY2013PF averaging 16.1% per annum. This growth is underpinned by a high level of contracted and recurring revenues, which together with Gentrack's capital light business model deliver a high conversion rate of earnings into cash.

Gentrack has exciting growth opportunities to pursue in its core markets of Australia, New Zealand and the United Kingdom. Our market opportunity is large and our continued growth is underpinned by attractive industry fundamentals, including on-going electricity, gas and water industry regulatory reform and innovations such as smart metering. In Gentrack's experience, utility investment in systems to drive efficiency and customer engagement is relatively immune from the economic environment. Gentrack has experienced several recent successes in the implementation of its growth strategy, particularly in Australia and the United Kingdom where we have recently announced new projects with Sydney Airport, Sembcorp Bournemouth Water, Alinta Energy and LoC02 Energy.

This Prospectus contains detailed information about Gentrack, and importantly, the risks associated with an investment of this type. I encourage you to read both the Prospectus and Investment Statement carefully before making an investment decision.

The Board and management are excited about the future for Gentrack. On behalf of the Board, I commend the Offer to you and look forward to welcoming you as a Shareholder.

Yours sincerely,

John Clifford

John Clifford

Chairman

Gentrack Group Limited

SECTION 4: INVESTMENT HIGHLIGHTS

1 Strong industry fundamentals driving demand for Gentrack's software	**2** Mission critical software for world-class utilities and airports
3 Stable revenue base with high near-term visibility	**4** Capital light business model delivering sustained earnings growth
5 Attractive growth opportunities and strategic position	**6** Highly experienced management team and board with strong industry credentials

1 Strong industry fundamentals driving demand for Gentrack's software

Changing regulations, increasing competition, new consumer engagement strategies and technological innovations are driving increasing demand for flexible and robust software solutions like Gentrack Velocity and Airport 20/20. Gentrack's software solutions provide utilities and airports with the tools required to harness large information flows, achieve greater operational efficiency and improve service delivery.

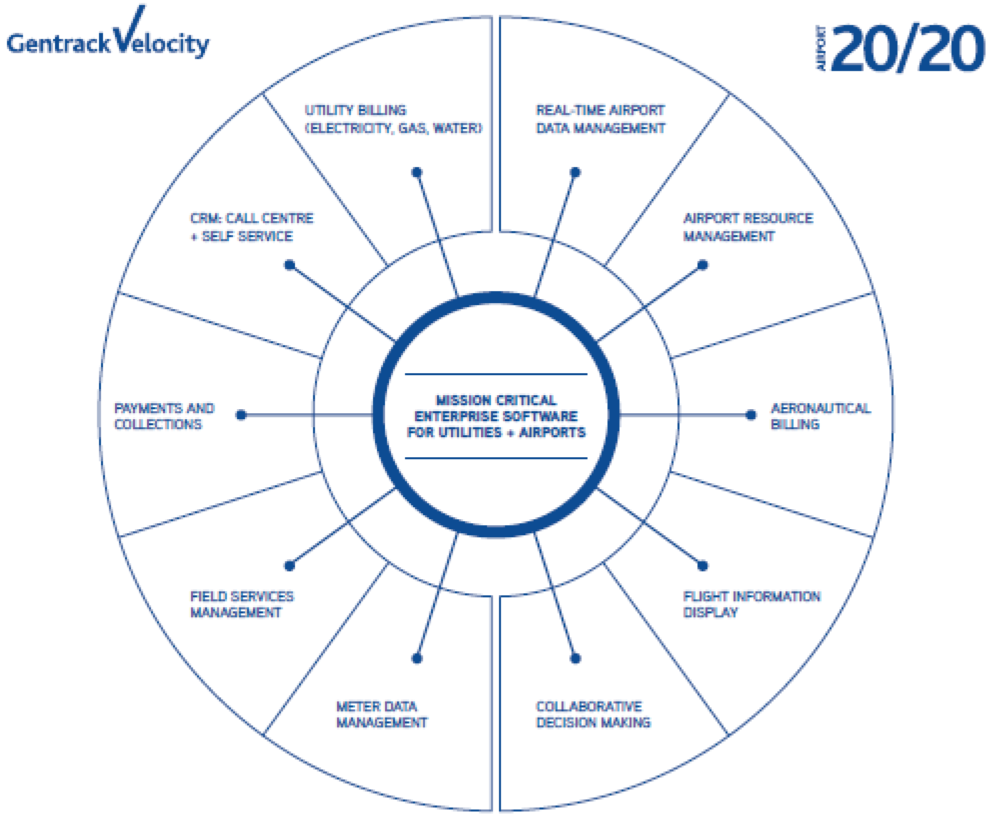
Globally, the utilities billing and customer relationship management market and the airport operational systems market are large and growing. Gentrack's software is specifically designed for these markets, providing utilities and airports the flexibility and capability required to meet changing customer expectations and market conditions.

2 Mission critical software for world-class utilities and airports

Gentrack's customers include world-class, consumer focused utilities in Australia, New Zealand and the United Kingdom and airports globally. Gentrack's software solutions are 'mission critical' to these utilities and airports, sitting at the very heart of their businesses and managing their most important information flows.

Gentrack has maintained long-term, unbroken relationships with the majority of its utilities and airports customers, the average tenure of which now exceeds nine years.

Gentrack's long-term relationships, the mission critical nature of its products and the industry environment create significant barriers for new entrants to the sector. Once a customer implements a Gentrack product, there are high risks for customers in switching to other providers, in terms of time, cost, and operational risk.



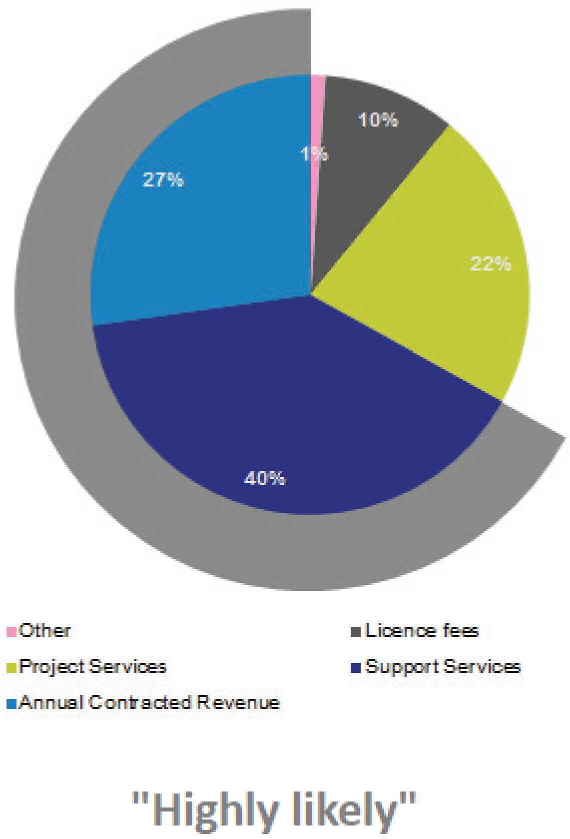
3 Stable revenue base with high near-term visibility

Gentrack's business model provides a stable core of recurring revenues consisting of annual fees payable by customers for software licensing, support and maintenance. This is supplemented by revenues from one-off license payments and project services including any major software implementation projects. Gentrack considers that 50-60% of revenue in any financial year is "highly likely" to recur in the following financial year.

86% of Gentrack's FY2013PF revenue came from Gentrack's existing utilities and airports customers, including from additional software modules and new features to meet evolving business requirements. The stable demand profile of utilities and airports for Gentrack's software and services supports the ongoing nature of these recurring and service based revenue streams.

Gentrack has good visibility on a large number of new project or product upgrade revenue opportunities. The Group has confidence in its ability to forecast near-term[9] revenue from these opportunities and therefore the investment required in resources to support its growth targets.

FY2013PF revenue by category



[9] In this context Gentrack considers "near-term" to mean the next 18-24 months.

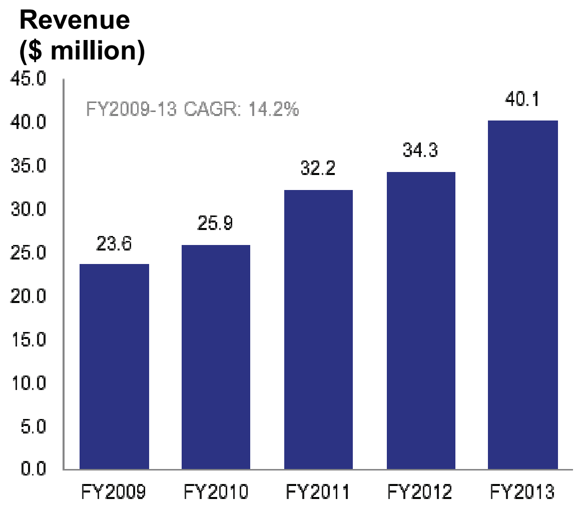
4 Capital light business model delivering sustained earnings growth

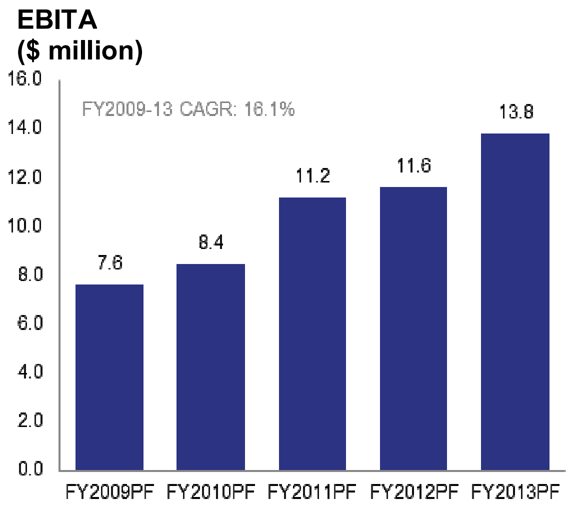
Gentrack has realised consistent revenue and EBITA growth over the past five financial years. Gentrack had a compound annual growth rate between FY2009PF and FY2013PF of 14.2% for revenue and 16.1% for EBITA.

Gentrack's growth has been underpinned by a proven strategy of product and geographic expansion, combined with increasing global demand for billing, customer relationship management (**CRM**) and airport operational systems. Gentrack's focused approach to product research and development, as well as project delivery, has allowed it to achieve sustainable growth and maintain its EBITA to revenue margins, which were 34.4% in FY2013PF.

Gentrack has low on-going capital expenditure and working capital requirements, resulting in a high EBITDA to operating cash flow conversion ratio. EBITDA to operating cash flow conversion[10] has averaged 88% over the past five financial years (FY2009PF-FY2013PF).

This is supported by Gentrack's policy to fully expense research and development costs, with $2.5 million of R&D costs expensed in FY2013PF.





[10] Pre-tax cash flow is calculated as EBITDA less changes in working capital less capital expenditure. Further information on this metric, and why Gentrack considers it useful for investors, can be found in Section 9.2.2 *Overview of Financial Information*.

5 Attractive growth opportunities and strategic position

Gentrack has strong growth prospects and intends to build on its established market positions in Australia, New Zealand and a developing position in the United Kingdom. The Group has identified and established relationships with a long list of prospective customers who Gentrack consider likely to be contemplating an upgrade to their billing and CRM systems over the next three years.

Gentrack has identified three primary areas of focus:

1. Industry developments and reform generating new opportunities
2. Growth from existing customers
3. Expansion into new geographies and markets, including through acquisition

Gentrack will fund its current growth strategy from existing earnings. Given its strong balance sheet, Gentrack retains the ability to take on debt to fund acquisitions.

6 Highly experienced management team and board with strong industry credentials

Gentrack has a stable and proven management team, led by CEO James Docking, with significant experience both at Gentrack and in the software and utilities sectors. There are ten other senior managers, with an average tenure of over ten years.

The Gentrack team are industry specialists, not IT generalists, and pride themselves on their high level of commercial, technical and leadership expertise. Gentrack takes full end-to-end responsibility for product delivery, and it is this low risk, proven model that has helped build the Group's strong long-term customer relationships. Considered experts in their field, Gentrack's people live and breathe the 'Play with Passion' philosophy, along with Gentrack's core values of Agility, Ability and Attitude.

The management team is supported by a highly qualified and experienced Board, including non-executive Chairman John Clifford and independent Directors Graham Shaw, Leigh Warren and Andy Coupe.

SECTION 5: MARKET OVERVIEW

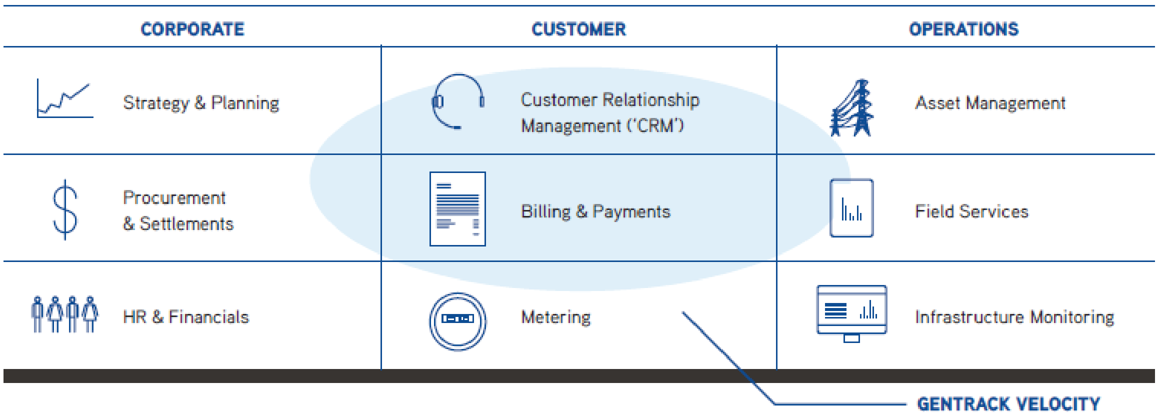
Gentrack operates in the large and growing global enterprise software market. Enterprise software is designed to improve enterprise level productivity by streamlining and automating core data flows and business processes.

UTILITIES

Billing and CRM software

Enterprise software is an important component of the business model employed by electricity, gas and water utilities. Their operations are data intensive, leading to demand for solutions that facilitate the provision of accurate, real-time reporting of customer and network information and the streamlining of high-volume processes such as customer billing.

The utilities enterprise software market can be divided into nine different sectors covering a broad range of corporate, customer and operational processes.



Gentrack's core utilities software product - Gentrack Velocity - is focused on the billing & payments and CRM sub-segments of the market. Gentrack Velocity facilitates the key customer interactions for these utilities, including:

- Enabling electricity, gas and water utilities to collect, store and use customer, property and usage related data to accurately bill their customers and manage the "meter-to-cash cycle"
- Integrating with a number of other enterprise software sub-segments to optimise data and process flows

Meter-to-Cash

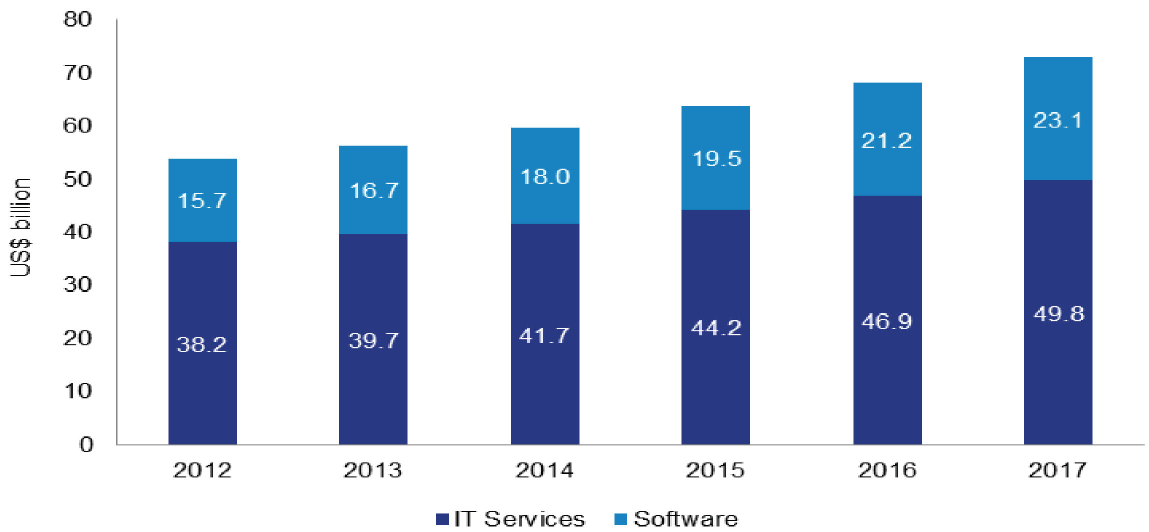
The meter-to-cash process is the customer revenue cycle for a utility. The process includes:

- Receiving data from meters
- Validating data and applying tariffs
- Billing the customer
- Reconciling payments and managing arrears
- Responding to customer queries via call centres or electronic interfaces

Large and growing global markets

Gentrack operates in large and growing global software markets. In 2013, IT spending by utilities was estimated to be US$138 billion, including US$56 billion on software and IT services.

Global utilities software and IT services spend



In the specific sector in which Gentrack operates, utilities spent US$3 billion on billing and customer information software in 2013. This market is expected to grow at 11% per annum through to 2020, well above the broader software and IT services market.

Gentrack's core market

Gentrack is primarily focused on utilities with up to three million consumers that operate in competitive market sectors in Australia, New Zealand and the United Kingdom. While the functionality of Gentrack Velocity is primarily oriented towards competitive markets, Gentrack's systems also support utilities in regulated market conditions such as those in the Pacific Islands and parts of Australia.

Gentrack estimates that there are approximately 385 contestable utilities sites in its core regions, each with specific requirements for billing and CRM applications. Gentrack's software is currently installed in 43 of the 385 utility sites. Gentrack estimates that each of these sites could spend between $0.5 and $5.0 million annually on Gentrack's software solutions.

*Gentrack utility market share by sites and connections**

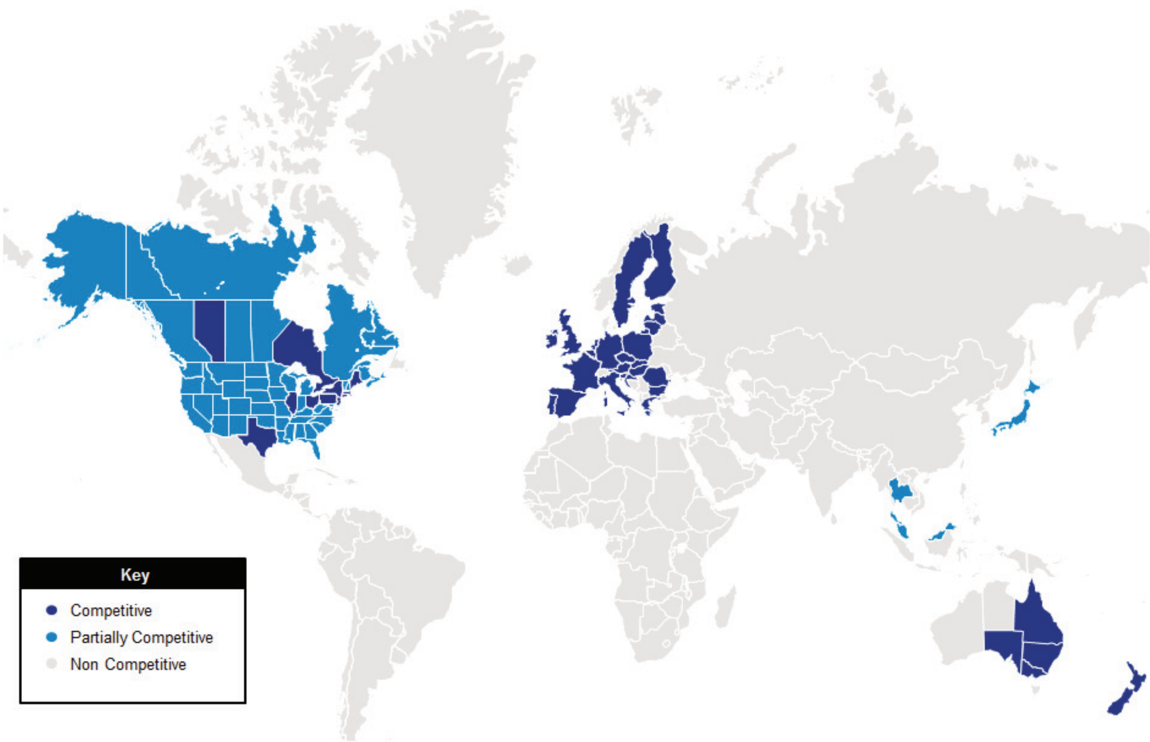
	Site Penetration			Connection Share
	Total	**Gentrack**	**%**	**Gentrack**
New Zealand	57	19	33%	69%
Australia	217	17	8%	8%
United Kingdom	111	7	6%	4%
Total	**385**	**43**	**11%**	

*Sites with up to three million connections; excludes utilities sites in the Pacific Islands and Asia.

Deregulation and market reform

Gentrack's core target energy markets within Australia (particularly Victoria), New Zealand and the United Kingdom have been early adopters of market deregulation. Significant market reforms have subsequently been pursued in the majority of developed countries, including Europe and parts of the United States. Water markets are less developed with many still in the process of privatising or deregulating.

Global energy markets deregulation



The process of deregulation and market reform has resulted in significant changes to the structure of utilities markets. However, once deregulation has taken place, supply, pricing and service frameworks have continued to evolve as further improvements and efficiencies are developed. In a more competitive and liberalised market environment, consumers are increasingly expecting higher quality services, better communication, more flexible offerings and choices and a higher quality of consumer experience overall. Most utilities now believe that customer service and retention are among the major industry challenges today.

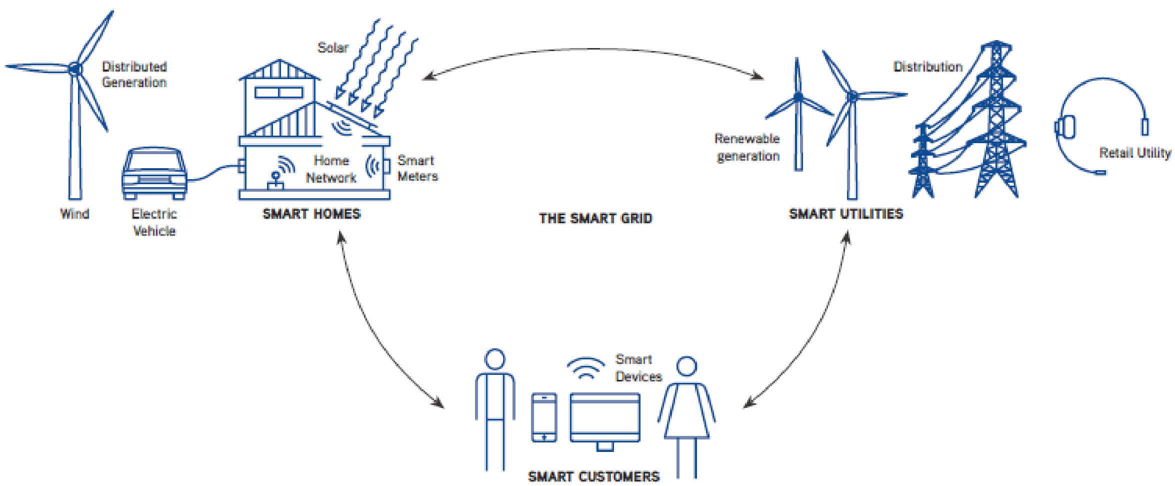
In Gentrack's experience, many older software solutions have struggled to adapt to these changes, which include increasing information volumes, new technology and innovative charging models. This has resulted in significant new investment in software and IT services, including billing and CRM software.

For Gentrack, the most notable opportunities being provided by market reform are in the Australian water and United Kingdom electricity and water markets. Further information on these opportunities can be found under the heading "Growth Strategies" in Section 6 *Business Description* of this Prospectus.

The smart grid

The traditional utility model is undergoing a transformation empowered by the emergence of "smart grids". Smart grids utilise electronic metering devices called "smart meters" to provide accurate recording of interval consumption data. Usage data is typically recorded in intervals of 30 minutes or less.

SMART UTILITIES



The introduction of smart grids is having the following impacts:

- **For utilities:** Electricity demand usually peaks at certain predictable times. Smart grids permit differential pricing to be applied to power consumption at set intervals according to the overall level of demand on the power system. A key aim behind the installation of smart metering is to encourage reduced power consumption during peak periods and therefore limit the growth in new generation capacity needed to meet increasing demand.

  The improved flexibility of the smart grid is also permitting greater usage of highly variable renewable energy sources such as solar power and wind power, even without the addition of energy storage.

- **For consumers:** The information provided by smart meters allows for a more efficient and consumer focused service through greater flexibility in billing frequency, billing and consumption data provision and payment options for consumers. Consumers with smart meters can, for example, use devices in their home to monitor the cost of usage and thus choose to consume electricity, gas or water when it is less expensive.

  Household and business consumers are also transforming into dual consumers/suppliers through distributed generation, requiring new billing processes that support two-way metering, feed-in-tariffs and more sophisticated accounts receivable functions.

In Gentrack's core markets, the emergence of smart grids is being assisted by smart meter policy targets. New Zealand is currently in the process of rolling out smart meters with approximately 800,000 smart meters having been rolled out to date. New Zealand energy retailers are involved in agreements to install smart meters in approximately 80% of the country by 2015. Victoria is currently rolling out more than 2.4 million smart meters, and in the United Kingdom, the Department of Energy and Climate Change has announced intentions to have smart meters deployed in all homes by the end of 2020. Almost 1.5 million smart meters have been installed in the United Kingdom already, and the full rollout to 27 million homes will start in 2015.

A shift to Best-of-Breed software solutions

Gentrack Velocity is a Best-of-Breed system. The failure of several large scale Enterprise-Wide software roll-outs in the utilities sector has, in Gentrack's opinion, resulted in greater demand for more agile and flexible applications. Gentrack believes that utilities are increasingly seeking to reduce the cost to serve consumers through Best-of-Breed" software applications that offer a strong level of cost and delivery certainty.

"Best-of-Breed" and "Enterprise-Wide" systems

Best-of-Breed systems use specific software solutions for each application or requirement within a utility or airport; these solutions are typically then integrated to enable the flow of data and information across the business. For example, an organisation utilising a "best-of-breed" approach may purchase a human resource package from one vendor, a financial package from another and a billing and CRM solution from Gentrack.

Enterprise-Wide systems typically enable utilities and airports to apply a single software solution across the entire organisation. These solutions are designed to meet all of an enterprise's business requirements, from financials and human resources to asset management and CRM.

Best-of-Breed software has the advantage of a higher degree of specialisation and enables organisations to reduce risks regarding reliance on a single vendor for mission critical systems. While Enterprise-Wide systems avoid the need to integrate multiple solutions, the emergence of 'open' software architecture has added a new level of systems flexibility, enabling organisations to pick, implement and integrate a variety of specialist solutions to meet their business requirements.

AIRPORTS

In the airports sector, Gentrack is a provider of airport operational systems software. Airport operational systems enable airports to capture and use multiple streams of data in 'real-time' to maximise airport efficiency.

Airport operational systems such as Airport 20/20 serve as information hubs for airports, allowing airports and airport operators to manage their aeronautical billing, flight information display, resource management, and passenger and baggage processing solutions on one integrated system. The outputs of the system are either used by, or are visible to, most airport stakeholders including airport employees, ground handlers, airlines, air traffic controllers and passengers.

Market opportunity

The airport operational systems market had an estimated size of US$370 million globally in 2013. The airport operational systems market is forecast to reach approximately US$430 million in 2018, representing a 3.5% compound annual growth rate.

The market opportunity for Airport 20/20 is very broad, as Gentrack's systems can be modified to meet the needs of almost any commercial airport. For example, Gentrack provides Airport 20/20 to Australasian airports, large international hubs like Hong Kong International Airport (the third largest airport in the world, with approximately 59 million passenger movements in 2013) and modest airports with approximately one million passenger movements. There are currently more than 10,000 airports with active airport codes.

Airport 20/20 has a market leading position in Australasia and a growing market position internationally. Airport 20/20 is installed in nine of the top 100 busiest airports (by passenger numbers) and is used by airports representing approximately 7% of global passenger traffic.

*Gentrack airport market share by passenger numbers **

	Gentrack
Australasia	86%
United Kingdom and Ireland	18%
Global market	7%

*% of passengers at airports with >1 million passengers per annum

Airport market trends

In Gentrack's view, there are several significant trends driving airports to invest in new airport operational systems. These key drivers include:

- **Legacy system replacement:** Airports are now focusing on the replacement of legacy IT systems that no longer provide the flexibility or functionality to support their business strategy.
- **Privatisation of airports:** The privatisation of airport businesses globally is associated with an increased focus on operational costs and management of resources. Airports are using airport operational systems such as Airport 20/20 to streamline and automate airport processes and procedures.
- **The passenger experience:** Airports are increasingly competing for passenger numbers on the basis of the experience they provide passengers, including facilities and retail opportunities.
- **Resource utilisation:** The demand on many airport resources requires airports to invest in IT solutions that optimise their usage. Passenger numbers are expected to increase substantially in the medium term, stretching the capacity of airports.

SECTION 6: BUSINESS DESCRIPTION

Gentrack designs, supports and implements Best-of-Breed software solutions for electricity, gas and water utilities and airports.

GENTRACK'S PRODUCTS

Gentrack offers two principal products:

<table>
<tr>
<td>Gentrack Velocity</td>
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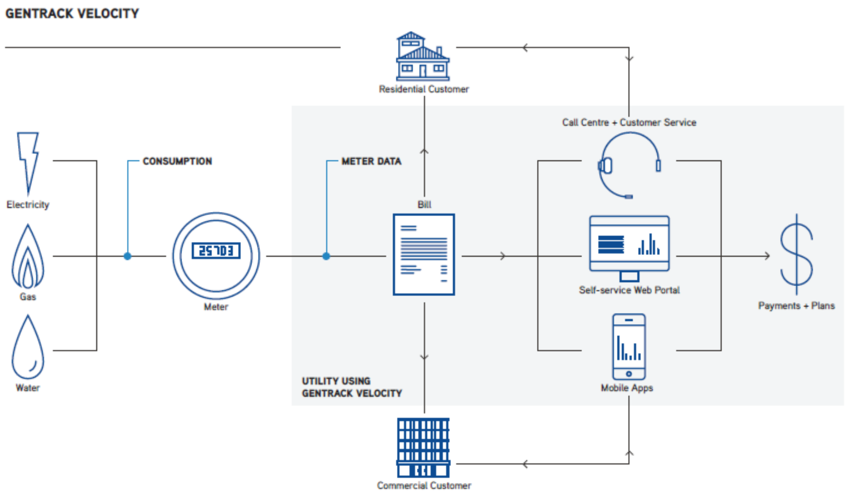
Gentrack Velocity is a specialist billing and CRM software product designed for electricity, water and gas utilities. It is one of the few utility billing and CRM products in Australia, New Zealand and the United Kingdom that can offer multi-utility billing and is proven in its ability to integrate domestic, commercial/industrial and network billing processes into one complete solution.
Gentrack Velocity processes a myriad of utility related data, including energy and water usage, meter data and asset data required for operating a modern energy or water utility business. Aligned with a utility's 'meter-to-cash' processes, the software provides a series of integrated modules encompassing billing, CRM, credit management, field services, meter data management and asset management. It is the foundation system within many call centres delivering a suite of tools and screens that enable customer service teams to easily navigate customer information and engage with customers on a daily basis.
For example:

Integrating with web portals, utilities use Velocity to enable consumers to view billing and account information easily, both online and on smart devices, and provide a range of digital payment options to improve revenue collection
Utilities can use Gentrack Velocity to configure and send notifications of planned outages to customers via email, SMS or mail



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<tr>
<td>Airport 20/20</td>
<td>
Airport 20/20 is fully integrated suite of airport information management tools essential to the operation of commercial airports and aviation authorities. Designed over 30 years, the software provides modules for:

Aeronautical billing
Property management
Flight information display

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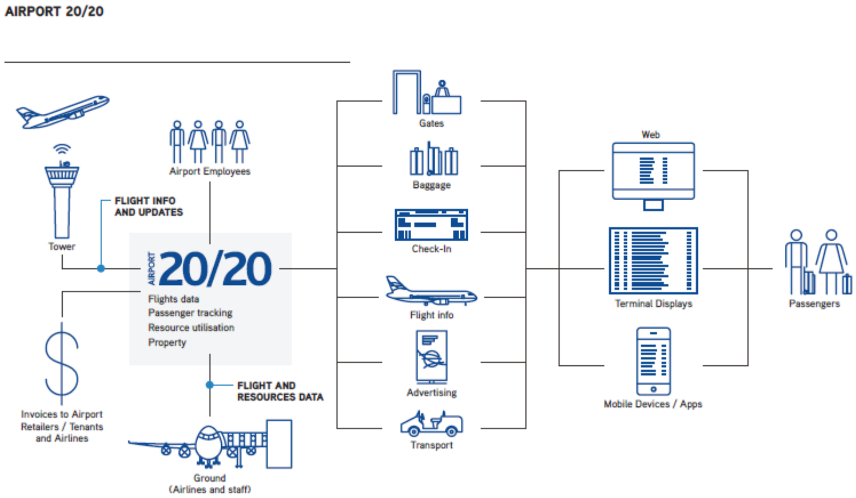
Resource management
Collaborative decision making
Airport messaging

These capabilities interact in real-time with each other as well as numerous other airport and industry systems, bringing real-time information and operational intelligence to airport employees, ground handlers, airlines, air traffic controllers and passengers. Airport 20/20 ensures that airports and aviation authorities can access the right information at the right time to assist in optimising operational efficiency and maximising financial returns.


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OTHER PRODUCTS

In addition to Gentrack Velocity and Airport 20/20, Gentrack has two additional software products designed for energy utilities and water companies. These products, GentrackNOW and mDATA21, share a similar DNA to Gentrack Velocity and are targeted at specific segments within Gentrack's utilities target market including small and start-up energy companies, and utilities managing large volumes of data from smart meters. The following provides a short summary of GentrackNOW and mDATA21.

GentrackNOW!	A factory configured version of the Gentrack Velocity billing and CRM software, delivered into the Cloud or on premise. Suitable for small and start-up utilities with out-of-the box functionality typically delivered in 6-9 months.
mDATA21	Gentrack's meter data management solution for energy utilities and water companies managing the deployment of smart meter assets and the resulting flows of high volume usage and meter events based data.

Gentrack Velocity and Airport 20/20 are Best-of-Breed products made up of functional modules that are configured to meet the requirements of different utility and airport markets. A modularised approach provides opportunities for Gentrack customers to take additional software modules to support new business requirements and strategies. Gentrack's software is subject to ongoing development and improvement, with additional product releases occurring on a six month recurring cycle.

Gentrack will typically implement its software solutions on the customer's site. Over the past few years, Gentrack has developed a proven ability to deliver its software through open source, cloud based or ‘SaaS’ frameworks if required by the customer. Two cloud based deployments have been made to date.

HISTORICAL OVERVIEW

Gentrack launched its first utility software product in 1987, commencing a long history as a provider of software solutions to the electricity, water, gas and airport industries.

New Zealand led the world in the reform of its electricity sector in the 1990’s and this allowed Gentrack to develop market ready software for the competitive utility markets that have emerged around the world since that time. After establishing a strong market position in New Zealand, including winning software implementation contracts for the majority of the New Zealand electricity retail and distribution market, Gentrack has subsequently expanded into Australia and more recently into the United Kingdom.

In 1999 Gentrack purchased the Airport 20/20 software. Since purchasing Airport 20/20, Gentrack has grown the business from three customers to 33 today. Gentrack now has a market leading position in the Australasian airport market and has won major airport contracts in the United Kingdom, North America, Asia and Scandinavia.

Gentrack timeline

1987	First release of utility billing product 'Gentrack'
1990	New Zealand syndicate of six power boards select Gentrack
1993	Gentrack II released
1994	Wins first major utility site in Australia and first water site
1996	Wins first gas site
1998	New Zealand electricity reform begins
1999	Wins 4/5 of new Gentailers and converts 30 power board systems in 18 months
1999	Procures Airport 20/20 software
2000	Wins first airport site in Australia
2002	Gentrack III released. Wins first airport site in the United States
2003	Melbourne office established
2009	Gentrack Velocity IV released
2010	London office established. Wins first airport site in Asia
2012	Brisbane office established
2013	NZTE International Business of the Year, wins first water site in the United Kingdom
2014	Receives government R&D grant from Callaghan Innovation

Since its inception Gentrack has undergone a number of ownership changes. In 2007 Gentrack was purchased by a consortium comprised of management and directors, ANZ Capital and Landis + Gyr. This was followed by a management-led buyout in 2012 resulting in the current ownership structure. Further details of this transaction are set out in Appendix 2 *Gentrack Group Limited Audited Financial Statements* of this Prospectus under the heading “Note 2 Business Combination”.

GENTRACK'S BUSINESS MODEL

Gentrack gathers revenue from up-front licence charges, recurring contract revenues and from billing for software related professional services. Gentrack revenue can be divided into four main types:

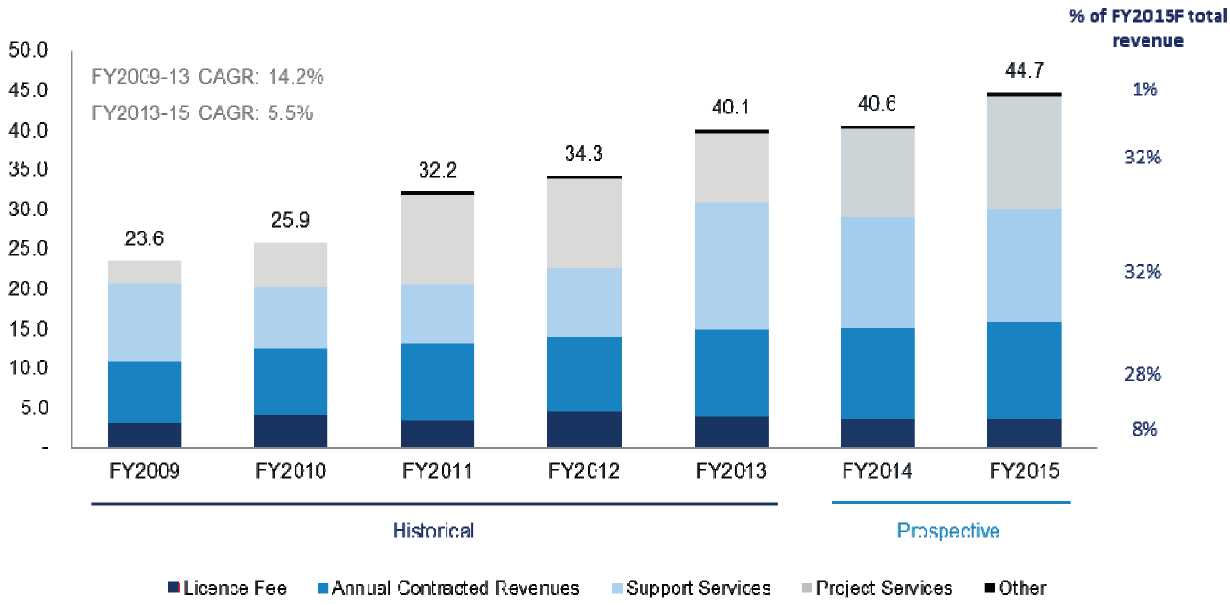
- **Licence Fees** are charged for the initial software implementation, subsequent software module upgrades and increases in volumes (for example, end users or client customers) on which the licensing is based.

- **Project Services revenue** is generated from existing customer software upgrades and new customer software implementations and relates to system implementation, testing and other associated business services.

- **Annual Contracted Revenues** are based on annual fees for the ongoing use and support of Gentrack Velocity and Airport 20/20 software.

- **Support Services revenue** is charged to existing customers for the ongoing consultation, programming and site support work associated with Gentrack's products that is not covered by the Licence Fee and can also include small scale software upgrades.

Gentrack's revenue build-up
($ million)

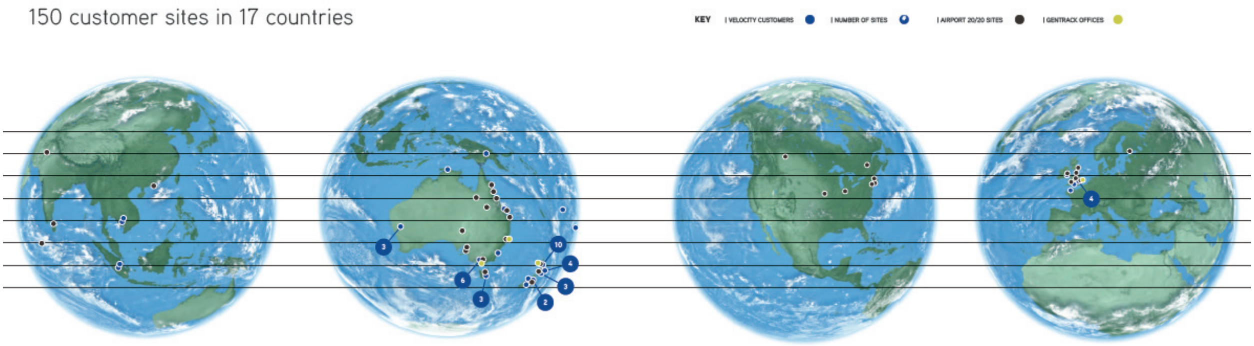


Gentrack's business model provides a stable core of recurring revenue from annual contracted fees and support services. Gentrack considers that 50-60% of its revenue in any year is highly likely to reoccur in the following year.

In respect of non-recurring revenue, in any given year, Gentrack has good visibility on a large number of new project or product upgrade revenue opportunities. The Group has high confidence in its ability to forecast earnings from these opportunities. Gentrack has the ability to structure requests for ongoing services around new implementations and upgrades in order to fully utilise technical resource capacity and smooth customer demand.

Further information on Gentrack's revenue model can be found in Section 9.1 *Introduction to Gentrack's Financial Information* of this Prospectus.

GENTRACK'S CUSTOMERS



Gentrack's utilities customers are primarily large scale electricity, gas and water providers. Gentrack also provides software solutions to start-up energy companies, particularly in markets undergoing regulatory reform. Gentrack's airports customers are primarily large commercial international and domestic airports and aviation airport authorities.

Gentrack's customer focus and consistent service delivery have fostered strong long-term customer relationships. Average customer tenure is nine years, and over a third of customers have been with Gentrack for ten years or more.

Gentrack has a diversified revenue base with limited customer concentration. .

Notable Gentrack Velocity customers		
New Zealand Genesis Energy Meridian Energy Mighty River Power Trustpower Vector	**Australia** ActewAGL Aurora Barwon Water City West Water Horizon Power Origin Energy Red Energy TasWater Unitywater	**United Kingdom** Dalkia Flow Energy Insite Energy LoC02 Energy Ovo Energy Sembcorp Bournemouth Water
Notable Airport 20/20 customers		
New Zealand Auckland International Airport Christchurch International Airport Wellington International Airport	**Australia** Adelaide Airport Brisbane Airport Melbourne Airport Sydney Airport	**Rest of the World** Birmingham Airport Hong Kong International Airport John F. Kennedy International Airport London City Airport Newark Liberty International Airport

COMPETITORS

Gentrack's major competitors for large electricity, gas and water utilities customers are Enterprise-Wide systems vendors SAP and Oracle. For clients with a smaller consumer base, Gentrack also faces competition from other providers including Agility and Echo Managed Services.

As a global supplier of airport operational systems, Gentrack's primary competitors include global providers Lockheed Martin (Amor), SITA and AirIT. Other competitors include Amadeus, Arinc and Ultra.

In Gentrack's opinion, the mission critical nature of the products, the time, risk and cost of new system implementations and the specialist knowledge and intellectual property required to develop specialist software for utilities and airports, present high barriers to entry for new competitors.

GENTRACK'S COMPETITIVE ADVANTAGE

Gentrack has focused on five key areas of differentiation from competitors:

- **Specialists**: Gentrack's software solutions are designed specifically for utilities and airports and are implemented by industry specialists with detailed market knowledge. Gentrack is a utilities software specialist, not an IT generalist.

- **Proven value proposition**: Gentrack Velocity and Airport 20/20 offer a Best-of-Breed product that represents a compelling low-risk alternative to an integrated Enterprise-Wide solution and delivers price and delivery certainty to the customer.

- **Direct deployment**: Gentrack takes full end-to-end responsibility throughout the lifecycle of a product, including design, sales, implementation and support. Gentrack typically exercises full control over the implementation and support of its software, and rarely uses third party contractors (known as systems integrators). Gentrack's major competitors have historically required a systems integrator for implementation and management of their products. Gentrack believes this model often leads to substantial cost and time overruns that can be mitigated by the use of a single supplier model with fewer conflicts of interest.

- **Implementation approach**: Gentrack uses an innovative implementation methodology for utility and airport projects that is closely aligned to many of the proven agile principles. This approach aims to reduce implementation times, relative to its major competitors, as well as risk. Using this innovative approach, Gentrack has successfully implemented projects within a 6-9 month timeframe, while Enterprise-Wide projects can last several years. In contrast to several notable Enterprise-Wide projects that have ended in significant time and cost overruns, Gentrack has a strong track-record of delivering on-time and on-budget and maintains a 100% implementation success rate.

- **Partnerships**: Gentrack considers that its customers are its most valuable asset, and it trains staff on the concept and value of long-term customer relationships. More than 90% of the customer relationships Gentrack held five years ago remain in place today.

TECHNOLOGY

Vendor independent

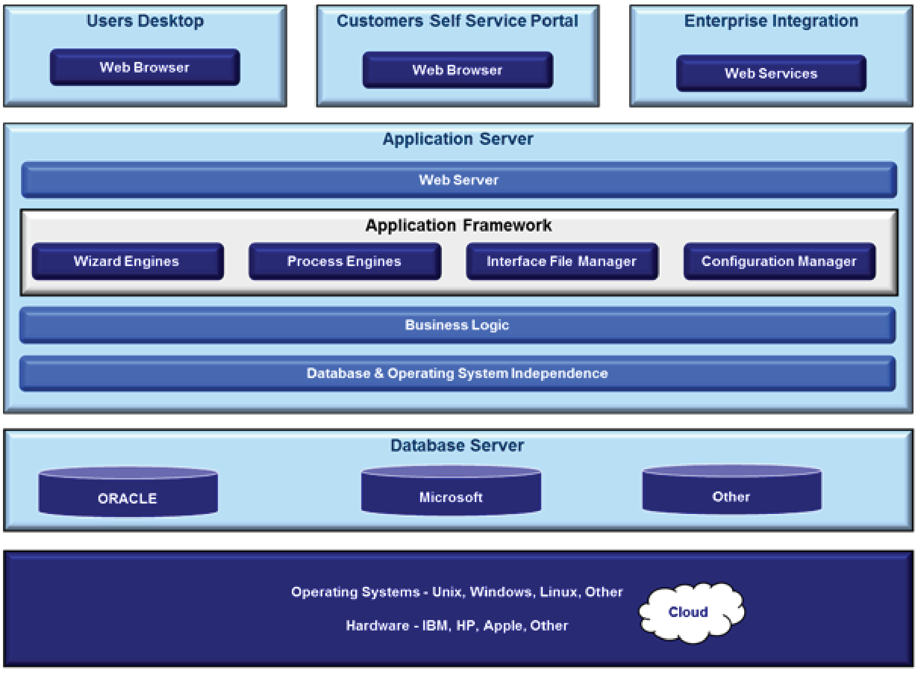
Gentrack Velocity and Airport 20/20 are both "vendor independent" products using the same technology to support a broad range of databases (including Oracle and Microsoft) and operating systems (such as Unix, Linux and Windows). Gentrack's products are not restricted to the technologies of any single vendor. This enables Gentrack to:

- Maintain a competitive advantage over competitors with products designed around a single vendor's technology

- Move employees between the products, creating efficiencies for Gentrack's employee utilisation

The flexibility provided by Gentrack's products allows them to operate within the existing IT Infrastructure of almost any utility or airport and integrate with other enterprise software with the latest real-time integration technology.

*The Gentrack technology stack**



* Airport 20/20 uses some additional technology to deliver the specialist requirements of airports.

Research and development infrastructure

Gentrack has a strong track-record of investing in product development to drive innovation and meet customer needs, industry changes and technological advances. Each year, Gentrack invests approximately 17% of its software specific revenue into research and development (**R&D**). Gentrack has received a number of R&D grants, and in 2014 was the recipient of an R&D grant from Callaghan Innovation, a New Zealand Crown Agency.

All Gentrack's R&D activity is conducted internally and is led by Gentrack's CTO Terry Maude, who has over 30 years' experience in the sector, including 26 with Gentrack. Terry is assisted by 28 technical development staff based in Auckland and has access to an additional 90 technical resources working across various utilities and airport projects to assist with the product development.

By maintaining full internal control of product development, Gentrack is more readily able to safeguard the quality and reliability of both its existing products and development pipeline. By centralising its development personnel in Auckland, Gentrack has been able to maintain high developer utilisation rates and exercise close control over its R&D cost base.

Intellectual property

Gentrack's ownership of its intellectual property is established as a result of its long history of development and innovation. Gentrack's products cannot easily be replicated and it protects its intellectual property in the terms of its contracts with customers. Gentrack typically retains the ownership of any intellectual property shared with customers or developed as part of specific project work or ongoing support.

PEOPLE

Gentrack's ongoing success reflects the knowledge and expertise of its key people. Gentrack views its key people as product and industry experts and considers them to be a main reason why customers have the confidence to purchase Gentrack's software and stay with Gentrack long-term.

Gentrack has a growing geographic reach and now has more than 180 staff operating in four offices split between New Zealand, Australia and the United Kingdom. Gentrack remains proud of its New Zealand heritage and has a strong commitment to the recruitment and retention of New Zealand programming and technical resources.

Gentrack runs a significant IT graduate recruitment programme from its headquarters in Auckland, New Zealand. In the last two years Gentrack has employed 20-30 newly qualified university graduates per annum, offering each candidate an opportunity to develop core skills in programming, project management, customer engagement and systems analysis.

A key feature of Gentrack's recruitment and retention strategy is a focus on developing its own people and promoting (where possible) from within. The success of this strategy is demonstrated by Gentrack's low staff turnover rate and average staff tenure of approximately six years.

GROWTH STRATEGIES

Gentrack has identified three key areas from which it will seek to continue its track record of growth:

- Industry development and reform generating new opportunities
- Growth from existing customers
- Expansion into new geographies and markets, including through acquisition

Industry development and reform generating new opportunities

Gentrack's software solutions are specifically designed for the demands of modern utilities and airports, and help these companies manage their key information flows. The continued transformation of the electricity, gas, water and airport sectors is driving a new wave of opportunity for Gentrack, positioning the Group for significant growth over the next five years. For Gentrack, the most notable opportunities are in the Australian water and United Kingdom electricity and water markets where ongoing market reform is altering the competitive and consumer landscape.

1. Australia

Water

In Australia, concerns about drought and security of supply have resulted in water supply and management gaining significant political traction. In order to address these issues, several States have either completely restructured their water sector or are in the process of doing so. A primary focus of these reforms has been reducing market fragmentation and clearly defining the roles of water suppliers and retailers as part of a broader process of corporatisation.

These market changes have resulted in renewed focus on water metering, tariffs and consumption management. Advanced water metering is gaining momentum with trials well underway across much of Australia. A surge in smart water metering technology is expected to drive new levels of back office integration requirements to ensure billing and CRM systems are in place to manage and utilise water meter data for leak detections, stronger network investment decisions and the delivery of water sustainability programmes.

2. United Kingdom

Water

Water and sewerage services in England and Wales are primarily delivered by vertically integrated regional and local monopoly service providers, with 23 operators responsible for 26 geographic areas. This industry structure emerged when the regional and local water boards were privatised in 1989, although there have subsequently been a limited number of mergers and acquisitions in the sector.

Concerns over the lack of competition in the sector and unsatisfactory consumer outcomes led to an independent review in 2009 known as the Cave Report. The Government has since committed to reform of the sector, including passing the Water Act 2014, and is seeking to introduce a competitive retail market by 2017 that would allow all individual and business consumers to switch their water and sewerage provider. Several companies have taken initial steps into competitive retail markets, including Severn Trent and Thames Water.

As has been observed in Australia, Gentrack expects these reforms will contribute to a significant push towards customer-centric billing and CRM software services, as efficiency in these areas affords significant reductions in the cost of servicing each customer and provides customers with a better understanding of both their bills and consumption behaviour. In 2013 Gentrack won its first United Kingdom water contract with Sembcorp Bournemouth Water.

Electricity and gas

The United Kingdom electricity and gas market has been dominated by six major providers since it was deregulated in 1999, with these providers servicing approximately 95% of connections. This market structure is currently under regulatory pressure. Due to a perceived lack of competition and low consumer trust in the sector, Ofgem has recently called for an investigation into the market by the Competition and Markets Authority.

Gentrack now have six energy customers in the United Kingdom: Flow Energy, LoC02, Ovo Energy, Insite Energy, Dalkia and International Energy Group. Many of these are smaller providers providing innovative and consumer focused offerings (for example tariffs for renewable energy), with a number experiencing rapid growth. Ovo Energy has seen customer numbers grow by an estimated 50% to 310,000 in 2014.

Gentrack's recent customer wins are illustrative of the above trends in Australia and the United Kingdom.

Recent Gentrack Contract Wins

Project	Region	Date	Product
Bristol Airport	UK	2014	Airport 20/20
Cairns & Mackay Airports	AU	2014	Airport 20/20
LoC02 Energy	UK	2014	Gentrack Velocity
Alinta Energy	AU	2014	Gentrack Velocity
Auckland International Airport	NZ	2013	Airport 20/20
ActewAGL-Distribution	AU	2013	Gentrack Velocity
Insite Energy	UK	2013	Gentrack Velocity
Sembcorp Bournemouth Water	UK	2013	Gentrack Velocity

Growth from existing customers

Gentrack has identified a number of opportunities from its existing customer base to grow its business. These initiatives include:

- The development of new revenue streams from the addition of new modules or extensions to existing products (for example, executive dashboards for Gentrack Velocity)
- The expansion of existing products to cover new service areas (such as the introduction of field service management tools to monitor smart meters)
- Increasing Gentrack's offerings of ancillary professional services that support its products (such as training, testing and on-site support to enable customers to more effectively use Gentrack's products)

Expansion into new geographies and markets, including through acquisition

Gentrack is currently pursuing an offshore expansion strategy into the United Kingdom which is aided by ongoing utilities sector reform and commercialisation in that market, for example the introduction of competition in the United Kingdom water sector. Once critical scale is achieved within the United Kingdom, Gentrack may look to other geographies, with the United States and Canada the most prospective. Additionally, Gentrack has identified several potential acquisition opportunities that it may seek to execute, subject to internal investment criteria being met.

SECTION 7: BOARD, SENIOR MANAGEMENT TEAM AND CORPORATE GOVERNANCE

GENTRACK'S BOARD OF DIRECTORS

Gentrack has an experienced and balanced Board with diverse skills drawn from industry leaders. The Board comprises a non-executive Chairman, three independent directors, and one executive director.

John Clifford (Chairman)[11] – Australia

John was appointed Chairman of Gentrack in 2007. He brings a wealth of experience in private equity investing in the United Kingdom, South East Asia and Australia with 3i Group and N.M. Rothschild & Sons. Since 2003 John has been an investing Chairman or Director of nine private equity controlled businesses. This includes a role as an Executive Director of Bayard Capital, which acquired multiple electricity metering businesses world-wide to form Landis+Gyr Group, a leader in smart metering. Currently, John is Chairman of three businesses involved in utility smart metering including Gentrack. John is also currently a director of McPherson's Ltd, an ASX listed consumer goods business. John has a Masters degree in Engineering.

Leigh Warren (Independent/Non-Executive Director) – Australia

Leigh has over 25 years' experience in the Information Technology sector and has held several executive positions with large multinational software companies, including that of Managing Director for Oracle in South Africa and Australia-New Zealand, Chief Operating Officer for SAP in North Asia, President of Ventyx Europe, Middle East, India and Africa, and Vice President Asia Pacific for BlueCoat systems. Leigh is also a Non-Executive Director for ASX listed Objective Software and Hong Kong based Solution Access.

Andy Coupe (Independent/Non-Executive Director) - New Zealand

Andy is a former investment banker with more than 30 years' experience, and is a member of the Institute of Directors. He previously worked for UBS New Zealand Limited. Andy currently Chairs the Board of Farmright Limited, and serves on the boards of Solid Energy New Zealand Limited (where he Chairs the Audit and Risk Committee) and three NZX listed investment companies, Kingfish Limited, Barramundi Limited and Marlin Global Limited. Andy has a Bachelors degree in Law.

Graham Shaw (Independent/Non-Executive Director) – New Zealand

Graham is a chartered accountant with 30 years' business experience. Graham spent ten years at KPMG before moving into senior corporate positions, including CEO of Works Infrastructure and CEO of Kensington Swan. Graham currently serves on a number of boards including the Board of Xero Limited, where he Chairs the Audit and Risk Management Committee and is a member of the Remuneration Committee.

Graham has a Bachelors degree in Commerce. He is a Member of the New Zealand Institute of Chartered Accountants and the Institute of Directors in New Zealand, a Fellow of the New Zealand Institute of Management, and a Companion of the Institution of Professional Engineers of New Zealand.

[11] John is not considered an independent director due to his interest in Shares.

James Docking (Executive Director) – New Zealand

James is Gentrack's chief executive officer. James has been with Gentrack for almost 19 years, having joined Gentrack in 1995 with the New Zealand energy sector in the midst of its market reforms. As an engineer with a background in the energy industry he was able to successfully guide Gentrack through these reforms and establish the platform from which Gentrack could launch itself internationally. James has an industrial background encompassing information technologies, electronics and power engineering. Before joining Gentrack he held various roles within the energy sector, including at ECNZ and two metering technology companies. James has been an executive director of the business for nearly nine years and is a Member of the Institute of Directors. James has a Bachelors degree in Engineering with Honours and a Diploma in Business Studies.

GENTRACK'S SENIOR MANAGEMENT TEAM

The Gentrack senior management team brings together utility and technology expertise and diverse skills such as research and development, software engineering, finance management, commercialisation, marketing and sales.

James Docking ***CEO*** See James' full biography under the heading "Gentrack's Board Of Directors".
David Ingram ***Chief Financial Officer*** 1 year with Gentrack David is head of Gentrack Finance, Administration, and HR. A qualified Chartered Accountant, his extensive experience within technology and professional services businesses provides a solid platform for addressing all financial aspects of the Gentrack business. His background includes over ten years as CFO of Zeacom, helping the company expand internationally and become one of the more successful software companies in New Zealand and as a consulting CFO for Triplejump and ClearPoint. David has a Bachelor of Management Studies in Finance and Accounting and is a member of the New Zealand Institute of Chartered Accountants.
Robert Shelwell ***Group Operations Manager*** 12 years with Gentrack In his role as Gentrack's Group Operations Manager, Robert manages all the technical resources required for the delivery of ongoing support services to customers. Robert also takes responsibility for all Gentrack implementation projects as Project Director and developed Gentrack's proven project delivery methodology called ADVANCE. Robert has a Bachelors degree in Commerce.
Terry Maude ***Chief Technology Officer*** 26 years with Gentrack With over 30 years' IT experience, much of which has been with Gentrack, Terry's understanding of the Gentrack software, architecture and technology is extensive. Leading a team of developers and technical experts in New Zealand, Terry is the key person in creating the future product vision using inputs from customers, the market and leading technology thinking. Terry then delivers this vision through the R&D plan and a well proven release process.

Nigel Farley

General Manager, Airport 20/20
25 years with Gentrack

Nigel has held a number of roles with Gentrack over 25 years and since 2001 has been the driving force behind Gentrack's Airport 20/20 product. Leading a team of specialist developers and consultants, he has successfully grown Gentrack's airport sector market share, delivering the Airport 20/20 software to over 100 mission critical sites including some of the world's busiest international airports. Nigel is responsible for the strategic direction of the Airport 20/20 business and oversees global operations including product support, sales, account management and new projects across the USA, Canada, the United Kingdom, Europe, Asia, Australia and New Zealand.

Glenn Sutherland

Global Sales Manager
6 years with Gentrack

In Glenn's initial role with Gentrack he successfully managed key customer accounts within New Zealand's competitive energy sector. His background in strategic sales and marketing, and ability to build strategic relationships with customers was key to his appointment as Business Development Manager and now Global Sales Manager. Glenn now leads Gentrack's sales and account management teams based in Auckland, Brisbane, Melbourne and London, and has represented Gentrack at industry forums on water market reforms, market deregulation, and specialist billing and CRM solutions. Glenn has a Bachelors degree in Management Studies.

Aaron Baker

Marketing Executive/General Manager Smart World Solutions
9 years with Gentrack

Aaron joined Gentrack in 2005 as Marketing Manager, with a background in sales and marketing in the computer software industry, and technology development for one of the world's largest credit card companies based in London. Aaron helps build the product vision and is responsible for delivering the marketing strategy for Gentrack. Aaron also looks after Gentrack's sponsorship of industry events including Gentrack's annual User Groups and key industry conferences. As General Manager for Gentrack's Smart World Solution, Aaron brings focus to Gentrack's meter data management and asset management solutions to support Gentrack's growth in smart metering. Aaron has a Bachelors degree in Management Studies.

Jon Kershaw

Commercial Manager
1 year with Gentrack

Jon joined Gentrack in 2013 to oversee all commercial and legal aspects of the Gentrack business. A qualified Chartered Accountant with over ten years' experience in finance and executive management in technology companies, Jon provides strong commercial leadership, essential to Gentrack's ability to secure and deliver projects across multiple regions and jurisdictions. Jon is actively involved in overseeing contract negotiations and any legal matters surrounding customer, supplier and partner engagement worldwide. Jon has a Bachelors degree in Science with Honours.

Adam Pargeter

Executive Manager Australia
11 years with Gentrack

Adam joined Gentrack in 2002 from the New Zealand energy sector and now leads Gentrack's business in Australia, which includes offices in Melbourne and Brisbane. These offices provide technical support and account management for Gentrack sites across all the Australian states. Adam has an extensive utilities industry background including implementing Gentrack's software as a customer. He is well experienced with both energy and water installations and has been involved in implementations in Australia, New Zealand and the United Kingdom. Adam has a Diploma in Business Studies.

Joanne McNish

Business Services Manager
13 years with Gentrack

Joanne has an extensive utilities background with over 15 years' experience in the industry. She has overseen a number of significant Gentrack implementation projects and leads a team of consultants to deliver pre-sales, consulting, testing and training services. Joanne joined Gentrack in 2001 from one of New Zealand's largest energy companies and has been involved in projects locally and internationally in her role as Business Services Manager. Joanne is actively involved in project planning and delivery, engaging with customers to ensure the successful deployment of Gentrack products.

David Brown
Vice President Europe
1 year with Gentrack

David manages the Gentrack European Operations from Gentrack's London office and is responsible for sales, delivery and support of all systems in Europe. David has managed all aspects of the development, delivery and support of ERP solutions for over 20 years, working with global organisations in a variety of industries including utilities, petrochemical oil and gas, pharmaceutical and manufacturing.

DIRECTORS AND SENIOR MANAGERS' INTERESTS IN SHARES

The following table sets out the number of Shares that the Directors and Senior Managers (or their associated persons) intend to sell to the Offeror in connection with the Offer and the number of Shares in GGL that the Directors and Senior Managers will have an interest in after the completion of the Offer:

Interested person	Shareholder(s)	Total interest prior to the Offer (Shares)	Shares sold pursuant to the Offer	Total interest after Offer[12]
John Clifford	Uplands Group Pty Limited as trustee of Uplands Group Trust JCVC Pty Limited as trustee of JCVC Super Fund	14,176,566[13]	5,025,192	12.1% - 12.7%
Leigh Warren	Leigh Warren Warren Family Business Pty Limited as trustee of the Warren Family Business Superannuation Fund	1,156,587[13]	527,403	0.8% - 0.9%
James Docking	Jametti Limited as trustee of the Fraxinus Aurea Trust	12,263,661	4,905,465	9.7% - 10.2%
Robert Shelwell	Robert John Shelwell and Robyn Elizabeth Shelwell	420,000[13]	84,000	0.4% - 0.5%
Terry Maude	Terence de Montalt Maude and Wendy Fay Wood as trustees for T & W Investment Fund	5,322,324	2,128,929	4.2% - 4.4%
Nigel Farley	Nigel Peter Farley and Richard John Burrell as trustees for Nigel Farley Family Trust	6,732,372	2,019,711	6.2% - 6.5%
Glenn Sutherland	Glenn Donald Sutherland	180,000[13]	45,000	0.2% - 0.2%
Adam Pargeter	Adam John Pargeter and Michelle Julie Pargeter	120,000[13]	0	0.2% - 0.2%
Joanne McNish	Joanne McNish	120,000[13]	0	0.2% - 0.2%

None of the persons named above guarantees, or undertakes any liability in respect of, the Shares.

Certain of the above Directors and Senior Managers have agreed with Gentrack that, following completion of the Offer, they will not sell (and their associated person will not sell) any Shares until after Gentrack has announced to the market its results for the financial year ended 30 September 2015. For further information on these embargo arrangements, please see "Embargo Arrangements" in Section 10 *Details of the Offer* of this Prospectus.

[12] Based on the Indicative Price Range.

[13] A portion or all of these shares are preference shares, rather than ordinary shares. Preference shares carry the same rights as ordinary shares, except that they also have certain additional rights on a liquidation or other dissolution of GGL. Preference shares will convert to ordinary shares on a 1:1 basis immediately prior to allotment of the Offer Shares under the Offer. On this basis, the shares in this column have been expressed as ordinary shares on a 1:1 basis.

CORPORATE GOVERNANCE

Role of the Board

The Board is committed to maintaining the highest standards of governance, business behaviour and accountability in order to promote investor confidence.

The Board has endorsed the Corporate Governance Best Practice Code set out in the NZX Listing Rules and ASX Listing Rules, and the ASX Corporate Governance Principles and Recommendations. In addition, the Board has approved policies and practices which aim to reflect best practice standards of governance in New Zealand and Australia.

The Board has ultimate responsibility for the strategic direction of Gentrack and for supervising Gentrack's management for the benefit of its Shareholders. Specific responsibilities include:

- formalising and disclosing the functions reserved to the Board and those delegated to management;
- working with management to set the strategic direction of Gentrack;
- monitoring and working with management to direct the business and the financial performance of Gentrack;
- overseeing Gentrack, including its control and accountability systems;
- appointing and removing the Chief Executive Officer;
- where appropriate, ratifying the appointment and removal of senior managers;
- monitoring senior managers' performance against objectives;
- ensuring appropriate resources are available to senior management;
- establishing and overseeing succession plans for senior management;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- ensuring Gentrack's financial statements are true and fair and otherwise conform with law;
- approving transactions relating to acquisitions, divestments, and capital expenditure above delegation policy limits;
- determining dividend policy and the amount, nature and timing of dividends to be paid;
- selecting, appointing and terminating the external auditor (including associated recommendations to Shareholders for approval);
- oversight of the Audit and Risk Committee's evaluation of the auditor's performance and ongoing independence;
- monitoring compliance and risk management;
- establishing and monitoring Gentrack's health and safety policies;
- ensuring effective and timely reporting to Shareholders; and
- ensuring effective disclosure policies and procedures are adopted.

Board Charter

The Board has adopted a charter recording its commitment to achieving best practice corporate governance (the **Board Charter**). The Board Charter describes the specific responsibilities, values, principles and practices that underpin the role of directors on the GGL Board. The Board Charter does not attempt to provide a complete record of all the formal and informal rules associated with the role of the Board and should be read in conjunction with the Constitution and relevant laws, regulations, codes and guidelines.

The Board currently plans to meet not less than six times during the financial year, including sessions to consider Gentrack's strategic direction and business plans. Video and/or phone conferences will be used as required.

BOARD COMMITTEES

The Board has the responsibility of ensuring Gentrack is properly managed to protect and enhance shareholders' interests. The Board has established two formally constituted committees of Directors. These committees review and analyse policies and strategies, usually developed by management, which are within their terms of reference. The committees examine proposals and, where appropriate, make recommendations to the full Board. Committees do not take action or make decisions on behalf of the Board unless specifically authorised to do so by the Board.

Audit and Risk Management Committee

The Audit and Risk Management Committee is responsible for overseeing the risk management (including treasury and financing policies), treasury, insurance, accounting and audit activities of Gentrack, as well as reviewing the adequacy and effectiveness of internal controls, meeting with and reviewing the performance of external auditors, reviewing the consolidated financial statements, and making recommendations on financial and accounting policies.

The members of the Audit and Risk Management Committee are Graham Shaw (Chairman), Andy Coupe and John Clifford.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee is responsible for considering new appointments to the Board, overseeing management succession planning, establishing employee incentive schemes, reviewing and approving the compensation arrangements for the executive Directors and senior management, and recommending to the full Board the remuneration of Directors.

The members of the Nominations and Remuneration Committee are John Clifford (Chairman), Leigh Warren and Graham Shaw.

Policies and Procedures

Once the Shares are quoted on the NZX Main Board and the ASX, GGL will be required to comply with the NZX Listing Rules, the ASX Listing Rules and the disclosure requirements of securities and other laws in New Zealand and Australia. Key policies and procedures adopted by the Board, which will be effective from Listing, are as follows:

Market Disclosure Policy

The Board has adopted a Market Disclosure Policy to ensure that timely, orderly, consistent and credible information is communicated to the market. GGL is committed to full and fair disclosure of any material information required by applicable NZX and ASX Listing Rules and fostering constructive relationships with Shareholders.

In particular, GGL is committed to:

- communicating effectively with Shareholders;

- giving Shareholders ready access to balanced and understandable information about Gentrack and its corporate proposals;
- making it easy for Shareholders to participate in GGL's general meetings; and
- maintaining an up-to-date website which provides Shareholders with information about Gentrack, its business and affairs.

The Board is responsible for ensuring that GGL complies with its disclosure obligations.

Share Trading Policy

The Share Trading Policy details Gentrack's rules for trading in its securities (including the Shares). The policy applies to Directors, officers, employees, contractors and secondees and is additional to the legal prohibitions on insider trading in New Zealand and Australia.

Code of Ethics

The Code of Ethics provides guiding principles outlining how all Directors, employees, contractors and advisers of Gentrack are expected to conduct their professional lives. It is not an exhaustive list of acceptable behaviours, rather it facilitates decision making that is consistent with Gentrack's values, business goals, and legal and policy obligations.

Diversity and Inclusion Policy

The Diversity and Inclusion Policy provides a framework for Gentrack to set measurable objectives for achieving diversity and sets out the procedures by which the Board can report and progress these objectives in order to achieve a diverse and skilled workforce.

Shareholder Communications Policy

The Shareholder Communications Policy provides a framework for keeping Shareholders informed. GGL is mindful of the need to keep Shareholders informed through a timely, clear and balanced approach which communicates both positive and negative views.

DIRECTORS' INTERESTS

Directors' Remuneration

John Clifford, as Chairman, receives $100,000 per annum. The non-executive Directors receive $60,000 per annum and the Chairman of the Audit and Risk Committee receives an additional $10,000 per annum. James Docking (the Executive Director) does not receive additional remuneration in his capacity as a Director.

Prior to registration of this Prospectus, GGL's Shareholders approved a total aggregate cap of $350,000 per annum for Directors' fees for the purposes of NZX Listing Rule 3.5.1. Under NZX Listing Rule 3.5.1, if the total number of Directors in Gentrack subsequently increases, the Directors are permitted, without seeking Shareholder authorisation, to increase the total remuneration by the amount necessary to enable GGL to pay the additional Director or Directors remuneration not exceeding the average amount then being paid to each of GGL's non-executive Directors (other than the Chairman).

The Directors are also entitled to be paid for reasonable travel and other expenses incurred by them in connection with their attendance at Board or Shareholder meetings, or otherwise in connection with Gentrack's business.

Applications by Directors for Shares under the Offer

The Directors may apply for Shares under the Employee Offer and to the extent any such Shares are acquired, these acquisitions will be disclosed to the market as required by law.

Directors' Indemnity and Insurance

Gentrack has granted indemnities in favour of each of its Directors and also maintains insurance for its Directors and officers in each case, to the extent permitted by the Companies Act.

EXECUTIVE REMUNERATION

In addition to a fixed base salary, some executives are also eligible for a short term performance incentive, commission payments, and vehicle allowances or leases. The short term performance incentive is made up of a cash bonus which is a specified percentage of each executive's base salary.

INCENTIVE PLAN

At the date of this Prospectus, Gentrack does not have an employee incentive plan in place, nor does it have any plans to introduce such a plan in the near term. However, Gentrack may, in the future, introduce an employee incentive plan if the Board considers that it would be an effective way of providing continuing incentives to Gentrack's key employees.

CONSTITUTION

GGL's Shareholders have approved the adoption of a new Constitution in connection with Listing. That new Constitution will be effective immediately prior to the allotment of the Offer Shares pursuant to the Offer.

SECTION 8: WHAT ARE MY RISKS?

PRINCIPAL RISKS FOR INVESTORS

The principal risk is that you may not be able to recoup your original investment or you may not receive the returns you expect. This could happen for a number of reasons, including that:

- the price at which you are able to sell your Shares is less than the price paid for them;
- an inability to sell your Shares at all – for instance, because the market for them does not develop, becomes illiquid or ceases to exist;
- there is a risk that Gentrack may not perform as expected and as a result, may not be in a position to pay dividends;
- the operational and financial performance of Gentrack is not as strong as expected; or
- GGL becomes insolvent and is placed in receivership, liquidation or voluntary administration.

The Shares will be fully paid ordinary shares and Shareholders will have no liability to make any further payments in respect of their Shares.

If Gentrack's operational and financial performance is not as strong as expected, the future market price of the Shares may be less than the price you paid for them and returns on the Shares may be less than anticipated.

If GGL is placed in liquidation, the residual value of its assets may not be sufficient for Shareholders to receive the full value of their original investment.

Some of the principal risk factors that may affect the ability of investors to recoup their initial investment and which could affect GGL's Share price performance are detailed in this section. These risk factors are not the only ones faced by Gentrack. There may be additional risk factors that the Issuers are currently unaware of, or that the Issuers currently deem immaterial but which may subsequently become key risk factors for Gentrack. You should consider these risk factors in conjunction with the other information in this Prospectus.

The risk factors described below necessarily include forward looking statements. Actual events may be materially different to those described below and may therefore affect Gentrack in a different and/or more material way.

Risks Relating to Projects and Contracting

Failure to successfully implement projects

A significant portion of Gentrack's core business is the implementation of challenging, complex software projects. There can be a range of factors that might result in a project not being delivered, either in a timely fashion or at all. Some factors are within Gentrack's control (for example, human error and the level of resources deployed), while others are outside of Gentrack's control (such as a failure by a third party). A failure to successfully implement a project for a customer in a timely fashion could have a material and adverse effect on that customer. Any such failure could erode the revenues that Gentrack would receive from the project, or expose Gentrack to significant additional costs or contractual penalties. As a result, Gentrack's financial performance may be adversely affected if it fails to implement projects, or experiences delays in the implementation of projects, for its customers. Such failures or delays may also adversely affect Gentrack's reputation in the market, which may reduce future revenues.

Fixed price projects

At any one time Gentrack's financial performance is vulnerable to a relatively small number of projects, which Gentrack often undertakes on a fixed price basis. Unexpected factors can significantly affect Gentrack's ability to successfully deliver these projects and, if such factors arise they can materially impact on the profitability of the relevant project, as Gentrack carries the risk on fixed price projects of time and cost overruns. Gentrack's ability to recognise revenue and collect payment could also be adversely affected as these are often linked to the project's percentage of completion and/or milestones.

Customer retention

The majority of Gentrack's customer support contracts are on a rolling basis and are terminable on a specified period of notice. In addition, certain of Gentrack's contracts with customers have change of control provisions that may be triggered as a result of the Offer. While Gentrack has had high customer retention rates, there is no certainty that this will continue. A decline in retention rates would adversely affect Gentrack's performance (see further detail under the heading "Sensitivity Analysis" in Section 9 *Financial Information* of this Prospectus).

Reliance on third parties

Gentrack relies on a third party for data hosting on an outsourced basis. It also uses a small number of third party applications for aspects of its products. Other than minor aspects of its products, the most significant third party software relates to database technology that underlies many other software products across the globe. A failure by any of these suppliers to provide those services or software, or a failure of their systems, may adversely affect Gentrack's ability to provide solutions and services to its customers. Gentrack's ability to pass on any losses suffered as a result of a failure by a third party may be significantly limited. Also, the licences for third party products may cease to be available on commercially reasonable terms, which could materially impact on Gentrack's financial performance.

Risks Relating to People

Key personnel, recruitment and staff retention

Gentrack's success depends on key people in the business, including the senior management team discussed in Section 7 *Board, Senior Management Team and Corporate Governance* of this Prospectus, and key technical and sales personnel. Attracting and retaining a talented senior management team, sales, operations and development staff is important to the implementation of Gentrack's growth strategy. A failure to hire, train and retain qualified, talented and effective personnel may adversely affect Gentrack's ability to grow, deliver projects successfully and adequately service its existing customer base.

Risks Relating to Products and Intellectual Property

Product errors

Despite testing prior to their release, software products sometimes contain errors. Gentrack's software applications are complex and there is a risk that defects or errors could arise, particularly when first introduced or when new versions or enhancements are released. The detection and correction of errors can be time consuming and costly. Errors in Gentrack's software solutions could affect the ability of its products to work with other software, could delay the development or release of new products or new versions of products and could adversely affect market acceptance of its products. Gentrack's financial performance may be adversely affected if it experiences errors or delays in releasing its new software or new versions of its software as existing and potential customers may respond negatively. Further, errors in Gentrack's software or services could expose it to various liabilities, including product liability, performance and/or warranty claims. Any of these events could harm Gentrack's reputation, which could impact its future sales of software solutions and service. This could result in lost revenue or a delay in market acceptance.

Intellectual property protection and infringement risk

There is no assurance that Gentrack's efforts to protect its intellectual property through copyright will successfully prevent a third party from infringing its intellectual property rights. A number of infringing events may be outside the control of Gentrack which may have adverse consequences for its business, including:

- competitors independently developing similar, potentially substitutable solutions or technologies without infringing Gentrack's intellectual property rights;

- intellectual property under development or in use by Gentrack may be subject to patent applications by unrelated parties in New Zealand or other jurisdictions with the result that Gentrack may, in carrying out its business activities, infringe the patents of such parties;

- competitors trying to copy or reverse engineer portions of Gentrack's software solutions or otherwise obtain and use Gentrack's property;

- customers not complying with contractual commitments designed to protect Gentrack's intellectual property, including the terms of escrow arrangements where customers may hold source code subject to various contractual restrictions; and

- certain 'open-source' (i.e., software for which the source code has been made available to the public for use or modification at no cost) licences may contain reciprocal provisions and may require these to be 'carried through' to solutions incorporating the open-source code so that those solutions and associated source code are made available free of charge. There is a risk that a third party could claim that Gentrack has materially infringed such a licence.

If Gentrack is not able to protect its intellectual property from third party infringement, or other misappropriation, any competitive advantage that Gentrack enjoys from its intellectual property may be significantly eroded. In addition, any enforcement of Gentrack's intellectual property rights could be costly, time-consuming and distracting to management, and have a material adverse effect on Gentrack's business, operating results and financial condition.

Further, the laws of some countries do not provide the same level of protection of Gentrack's intellectual property rights as do the laws and courts of New Zealand.

Data protection and security

Gentrack's software solutions and services are used to store, retrieve, manipulate and manage significant information and data. That information often includes personal information about individuals as well as commercially sensitive business information. For example, Gentrack's software will form a critical component of an electricity retailer customer's billing system and will be used to process significant information about households' and businesses' electricity usage.

If Gentrack, or one of Gentrack's customers using Gentrack software, suffered a security breach, virus or similar disruption, its data, customers' data, or its IT systems may be accessed improperly, made unavailable, or improperly modified. If that happened, Gentrack's software solutions and services may be perceived as vulnerable, its brand and reputation could be damaged, the IT services it provides to customers could be disrupted, and customers may stop using Gentrack software solutions and services. Any of these outcomes could reduce Gentrack's revenue and earnings, increase Gentrack's expenses and expose Gentrack to legal claims and regulatory actions.

Risks Relating to the Competitive Environment and Industry

Competition

Gentrack has significant competition in the market for its software solutions and services. Some of Gentrack's competitors are significantly larger, multinational vendors who have greater access to capital and are able to devote greater resources to the development, marketing and sale of their solutions and services. Further, some competitors have access to significant customer bases and wider distribution agreements with system integrators and resellers.

The utilities and airports software industries in which Gentrack competes are characterised by relatively rapid technological advancement. Gentrack and its competitors are constantly endeavouring to develop their software solutions. Relative to its competitors, Gentrack may not be able to develop, enhance and improve its products and services in a timely manner, or to effectively position and/or price Gentrack products and services. The emergence of new technologies and evolving standards in software development and communications infrastructure to replace existing offerings could render Gentrack's existing or future products obsolete or less competitive. Customers and potential customers may respond to these developments by preferring Gentrack's competitors' products or other new technologies to Gentrack's product offering. This could materially reduce Gentrack's revenues.

Other competitive factors which could cause Gentrack to lose potential sales or existing customers, and/or materially reduce its prices or margins include:

- competitors offering to sell their software products and services at a lower price when tendering for new projects;
- increasing competition from open source software initiatives in which competitors may provide software and intellectual property for free;
- the emergence of new technologies and evolving standards in software development and communications infrastructure to replace existing offerings could render Gentrack's existing or future products obsolete or less competitive; and
- an increased distribution of applications through cloud-based or SaaS providers in the future may require Gentrack to change its pricing model.

Future industry reform

Gentrack considers the electricity, gas and water utilities and airports industries in the jurisdictions in which its customers operate are changing significantly, and will continue to do so in the foreseeable future. The extent of the future changes in the dynamics of those industries are difficult to predict with any certainty. Gentrack's business strategy, and the ongoing development of its software solutions, require some forecasting of how those industries may evolve over time. Gentrack's predictions of that evolution may be wrong. That could have a number of negative consequences for Gentrack, including that it loses competitive advantage over competitors whose predictions are more accurate.

Legal, regulatory or political risk

Investments may be adversely affected by legal and regulatory changes or requirements, and actions pursuant to such requirements. Potential changes to existing laws or the introduction of new laws could result in increased compliance costs and obligations. In addition, there is a risk that there could be a change to the laws and/or regulations in a jurisdiction which in some way inhibit Gentrack from selling its key product offerings in that particular jurisdiction. This risk could also arise from trade agreements entered into between different foreign countries which in some way could inhibit Gentrack from selling its software solutions in those markets.

Risks Relating to Gentrack's Revenue and Costs Structure

Costs structure

Gentrack's cost structure is relatively fixed in the short-term and, as a result, Gentrack is limited in its ability to match reductions in revenues with an immediate reduction in costs. Because of this, revenue shortfalls can have a disproportionately negative short-term impact on Gentrack's profitability. For example, salary costs are fixed in the short-term and cannot immediately be adjusted to react to a reduction of activity due to projects being terminated or delayed, which would lead to a loss of revenue.

International sales and operations

A substantial portion of Gentrack's revenues are derived outside New Zealand, with some of its operations also outside New Zealand. Gentrack is subject to a number of risks and challenges in managing an organisation with operations in various countries, including compliance costs associated with international and local regulations, staff resourcing, general economic conditions in each country or region and fluctuations in foreign exchange rates (as noted in Currency Risk discussed below). These risks and challenges can adversely affect operating results.

Research and development

Developing software is expensive and the investment in product development often involves a long return on investment cycle. Gentrack has made, and expects to continue to make, significant investments in research and development and related product opportunities. Accelerated product introductions and short product life cycles require high levels of expenditure for research and development that could adversely affect Gentrack's operating results if not offset by revenue increases. Gentrack believes that it must continue to dedicate a significant amount of resources to its research and development efforts to maintain its competitive position. However, given the nature of research and development, it is difficult to predict, with any certainty, when Gentrack will receive additional revenues from this investment (if it does so at all).

In addition, Gentrack has received research and development grants, including recently a grant from Callaghan Innovation. The terms of those grants provide that funding provided may need to be repaid in certain limited circumstances. If the grant provider took a negative view of the Offer, or any other change in Gentrack's business, it may be entitled to require the funding to be repaid.

Currency risk

Gentrack reports its financial results in New Zealand dollars; however, a material portion of Gentrack's sales are denominated in other currencies (primarily Australian dollars and British Pounds). Most of Gentrack's operating expenses are incurred in New Zealand dollars with the balance from other currencies. See further details under assumption "Exchange Rates" in Section 9 *Financial Information* of this Prospectus. Any fluctuation in the exchange rates of these currencies (and in particular the NZD:AUD and NZD:GBP exchange rates) may negatively impact Gentrack's financial condition and operating results.

Other Business Risks

Business disruptions

Gentrack depends on the information technology systems, servers, networks, hardware and software that it has in place. Gentrack's research and development activities, IT infrastructure and certain other critical business operations are concentrated in a few geographic areas. Given this reliance on a few key sites, Gentrack's systems may be relatively vulnerable to a disruption as a result of events such as natural disasters, flood, fire, power loss, communications failure, sabotage, human error or terrorism. A significant disruption, repeated or on-going failure, loss of data, security breach, or an incidence of fraud could reduce Gentrack's customers', or potential customers', confidence in its software solutions and services and adversely affect Gentrack's financial performance.

Acquisitions

Gentrack reviews potential acquisitions of potentially complementary software businesses from time-to-time and may undertake such acquisitions in the future. All acquisitions face the risk that returns on investment will fall short of expectations. Estimates of fair value made in considering an acquisition are based on assumptions believed to be reasonable, but which are inherently uncertain. Where an acquired business fails to perform as expected, a number of material changes can eventuate that adversely affect operating results including, for example, impairment of goodwill. Further, acquisitions can involve a significant amount of management time and reduce the management team's ability to respond to other challenges and opportunities. Between them, these impacts may be material.

Other risks

In addition to more specific risks, Gentrack faces the usual risks that arise in the normal course of operating any business, such as:

- adverse changes in economic conditions, including interest rates, inflation, disposable income levels, consumer sentiment and demographics;
- fraud, business continuity planning and data integrity risk;
- the emergence of a widespread health emergency, epidemic or pandemic which could create economic or financial disruption;
- the possibility of future litigation; and
- tax compliance in New Zealand and the various foreign jurisdictions in which it operates.

General Investment Risks

Economic risk and economic activity

Like any other investment, returns from an investment in the Shares are influenced by the level of economic activity. A contraction in the New Zealand, Australia or global economy may impact upon the performance of Gentrack by reducing demand for Gentrack's software solutions and/or affecting Gentrack's costs.

Taxation risks

A change to the existing rate of company income tax, or other changes to tax law or practice in New Zealand or in other relevant international jurisdictions which affect Gentrack, may affect Gentrack's returns. A change to tax law applying to you personally could affect your returns.

ASX listing risk

Failure to achieve admission to the official list of the ASX will not, of itself, prevent the sale of Offer Shares under this Offer from proceeding. In that situation, there will be no active trading market in the Shares on the ASX, thereby potentially decreasing the overall liquidity of the Shares.

General market risks

Prior to this Offer, there has been no public market for the Shares. There can be no assurance that an active trading market in the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the NZX Main Board or ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the market price at which Shareholders are able to sell their Shares.

Factors such as changes in the New Zealand or international regulatory environment (including for accounting), New Zealand and international equity markets, New Zealand dollar and foreign currency movements and the New Zealand and global economy, could cause the market price of the Shares to fluctuate. These fluctuations may adversely affect the market price of the Shares after the Offer.

Consequences of insolvency

Shareholders will not be liable to pay any money to any person as a result of the insolvency of GGL. All of GGL's creditors (secured and unsecured) will rank ahead of Shareholder claims if GGL is liquidated. After all such creditors have been paid, any remaining assets will be available for distribution between all holders of Shares who will rank equally amongst themselves. There may not be sufficient surplus assets to enable Shareholders to recover all or any of their investment.

SECTION 9: FINANCIAL INFORMATION

Why you should read this section?

In this section you can find detailed information about Gentrack's historical and prospective financial performance, including the important assumptions that have been used in the preparation of the Prospective Financial Information (**PFI**).

In this section

This section should be read in conjunction with the risk factors set out in *Section* 8 *What are my Risks?* of this Prospectus and other information contained in this Prospectus. Summary financial statements for GGL and audited financial statements for the financial year ended 30 September 2013 are set out in Appendix 1 *Gentrack Group Limited Summary Historical Financial Information* and Appendix 2 *Gentrack Group Limited Audited Financial Information*.

The financial information is presented in New Zealand dollars and is rounded to the nearest thousand (unless stated otherwise), which may result in some discrepancies between the sum of components and totals within tables, and also in certain percentage calculations.

References to "Gentrack" in this section refer to:

(a) GGL and its subsidiaries, for so long as GGL has been the ultimate parent company of Gentrack Limited; and

(b) in respect of periods before that, means the group of companies comprising the ultimate parent company of the two trading subsidiaries (Gentrack Limited and Gentrack Pty Limited) and its subsidiaries, including Talgentra Pacific Group Pty Limited (once incorporated in 2007).

If you do not understand the information in this section, you should consult a financial adviser.

9.1 INTRODUCTION TO GENTRACK'S FINANCIAL INFORMATION

This Prospectus contains a detailed description and analysis of Gentrack's industry (see Section 5 *Market Overview*) and business (see Section 6 *Business Description*). You are strongly encouraged to read those sections in detail, and also Section 8 *What are my Risks?*

Certain information included in this section (including EBITDA, underlying EBITDA, EBITA and NPATA) is non-GAAP financial information, including Pro Forma financial information and profit measures other than net profit for the financial year as reported in the statutory financial statements in accordance with NZ GAAP. You can find an explanation of why Gentrack uses these measures of financial performance and a reconciliation of statutory Net Profit to Pro Forma NPAT, NPATA, EBITA, EBITDA, and Pre-tax Free Cash Flow later in this section.

A summary of how Gentrack makes money

The following provides a simplified overview of how Gentrack makes money as an introduction to assist in reading the detail in the rest of this section.

Gentrack's core business is the development, implementation and support of specialist billing and CRM software for utilities and operational management software for airports. Gentrack's customers include world-class, consumer focused electricity, gas and water utilities based in Australia, New Zealand and the United Kingdom and airports globally.

Gentrack derives revenue from its customers through four main sources:

- **Licence Fees** are charged for the initial software implementation, subsequent software module upgrades and increases in volumes (for example, end users or client customers) on which the licensing is based
- **Project Services revenue** is generated from existing customer software upgrades and new customer software implementations and relates to system implementation, testing and other associated business services
- **Annual Contracted Revenues** are based on annual fees for the ongoing use and support of Gentrack Velocity and Airport 20/20 software. Gentrack typically charges customers Annual Licence Fees on a monthly or annual basis
- **Support Services revenue** is charged to existing customers for the ongoing consultation, programming and site support work associated with Gentrack's products that is not covered by the Licence Fee and can also include small scale software upgrades

Main drivers of Gentrack's financial performance

The following factors can have a significant impact on financial performance and net cash flows, but are not an exhaustive list of all relevant factors. This should be read in conjunction with *"Explanation of trends in financial performance"* later in this section as well as Section 8 *What are my Risks?*

New customer acquisition and expansion into new markets

Gentrack's ability to win new customers is a key driver of its initial Licence Fee and Project Services revenue, as well as ongoing Annual Contracted Revenue and Support Services revenue. Gentrack's established position in Australia and New Zealand has created a platform for offshore growth. Gentrack's intention is to continue to grow customer numbers by further penetrating into the Australian electricity and gas markets and continuing its expansion into emerging electricity and gas utilities in the United Kingdom. Additionally, there are a growing number of opportunities within the Australian and United Kingdom water utility sectors as market reforms alter the competitive environment. Once Gentrack has established itself in the United Kingdom, it will consider additional geographies for targeted expansion of its billing and CRM products, with the US and Canada currently considered the most likely.

Over the past decade many airports have been undergoing renewal programmes for legacy systems. This has and is expected to continue to provide Gentrack with opportunities to acquire new customers and expand into new markets. Airport 20/20 also provides important customer reference points in geographies into which Gentrack is looking to expand with its Gentrack Velocity product.

For further detail on Gentrack's growth strategies see Section 6 *Business Description* under the heading "Growth Strategies".

Existing customer revenue from product upgrades, add-ons and improvements in functionality

Gentrack has historically expanded its revenue base from its existing customers through product upgrades, add-ons and improvements in functionality. Continued utility industry development and reform, and the value recognition of billing and CRM products, is expected to continue to drive demand for increased functionality by customers, which is expected to provide potential new revenue streams for Gentrack from its existing customer base.

Gentrack's typically long-standing customer relationships provide high visibility on revenue opportunities from existing customers. These customers typically spend a predictable amount on a periodic basis to improve and upgrade their systems. As an example, more than 86% of FY2013 revenue came from Gentrack's existing utilities and airports customers where additional software modules and new features were implemented throughout the year to meet new business requirements.

Annual Contracted Revenues

Gentrack's Annual Contracted Revenues are highly predictable given the mission-critical nature of its software products and the nature of its utilities and airports customer base. Gentrack has a stable customer base due to the quality of Gentrack's offerings and the high risks faced by customers in switching to alternative providers, in terms of time, cost, and operational risk. Annual Contracted Revenues typically increase in-line with increases in CPI and volume (for example, end-users or client consumers) on an annual basis.

Expenditure – personnel

The provision of Gentrack's software requires personnel for research and development, implementation and ongoing support. The majority of Gentrack's operating expenditure in any given year is on its people, who provide the knowledge and expertise to drive earnings. Gentrack's low staff turnover (12%) and high average tenure (approximately six years) provide Gentrack with a high degree of visibility of the costs associated with its existing employees. Costs of additional personnel employed to support growth are forecast in line with known requirements from historical key performance indicator levels.

9.2 OVERVIEW OF GENTRACK'S FINANCIAL INFORMATION

Presented in this section are selected historical and prospective financial information, operating metrics and a description of the non-GAAP financial information used in this Prospectus. This is provided as an introductory overview, in addition to the financial information disclosure required under the Securities Regulations.

9.2.1 Financial information presented

There are four different types of financial information presented in this Prospectus:

- **Statutory historical financial information** as reported in Gentrack's financial statements.
- **Pro Forma historical financial information** adjusts the statutory historical financial results to reflect the business structure of Gentrack following completion of the Offer.
- **Statutory prospective financial information** includes the forecast results presented on the same basis as that on which they will be reported under NZ GAAP in the future.
- **Pro Forma prospective financial information** adjusts the statutory prospective financial results to reflect the business structure of Gentrack following completion of the Offer.

Historical financial information

On 15 May 2012 Gentrack Group Limited (**GGL**), a newly registered New Zealand company, through its Australian subsidiary Gentrack Group Australia Pty Limited, acquired Talgentra Pacific Group Pty Limited (**TPG**). The acquisition effected a management buyout (**MBO**) of Gentrack from its previous owners. The operating subsidiaries of GGL and TPG operated through the whole of the 12 month period ended 30 September 2012 without disruption. As a result of the acquisition, the statutory financial results for the underlying business are reported under two different legal structures. The historical financial information for each of the last five years has been drawn from financial statements as follows:

- Financial information for FY2009, FY2010 and FY2011 has been extracted from the audited financial statements of TPG.
- Financial information for FY2012 includes management accounts for the period 1 October 2011 to 15 May 2012 for TPG plus the GGL audited accounts for the period ended 30 September 2012 (which represents actual trading results for the period 16 May 2012 to 30 September 2012 as a result of the acquisition). This combination reflects the underlying business operations of the operating subsidiaries of GGL for the period 1 October 2011 to 30 September 2012. For a reconciliation of the financial information presented for the year ended 30 September 2012 see Section 9.3 *Reconciliation of FY2012 extracted financial information*.
- Financial information for FY2013 has been extracted from the audited statements of GGL.

The diagram below shows the entity under which the financial information has been extracted for each relevant year.

<table>
<tr><th>(Year ended 30 September)</th><th>FY2009</th><th>FY2010</th><th>FY2011</th><th>FY2012</th><th>FY2013</th><th>FY2014</th><th>FY2015</th></tr>
<tr><td rowspan="2">Entity from which financial information has been extracted</td><td rowspan="2">TPG</td><td rowspan="2">TPG</td><td rowspan="2">TPG</td><td>TPG 7.5 months; (1 October 2011 to 15 May 2012)</td><td rowspan="2">GGL</td><td rowspan="2">GGL</td><td rowspan="2">GGL</td></tr>
<tr><td>GGL 4.5 months (16 May to 30 September 2012)</td></tr>
</table>

Pro Forma adjustments

Gentrack believes that its statutory financial information does not reflect its underlying performance through time in a consistent manner. The forecasts for FY2014 (Statutory) and FY2015 (Statutory) are also shown on an unadjusted basis as this reflects the basis on which the Group will report its results for those financial years. Much of the financial information presented in this Prospectus is 'Pro Forma' information. Pro Forma information adjusts statutory financial information to exclude certain items that Gentrack believes are non-recurring or unusual in nature and adjusts for Gentrack's expected capital structure and items expected to influence financial performance after the Allotment Date to provide a consistent view of Gentrack's underlying financial performance. Gentrack believes that the use of Pro Forma information allows investors to better compare its financial information both between years and with other comparable companies.

Description of Pro Forma adjustments

Each of the adjustments made to derive the Pro Forma financial information are discussed below:

(1) Management buyout and other costs: the May 2012 management buyout of TPG resulted in total direct costs of $1.975 million in FY2012 and other costs associated with the subsequent organisational restructuring recognised in FY2013 and FY2014. The historical and prospective financial information for the years FY2012PF, FY2013PF and FY2014PF excludes these costs as an adjustment in order to reflect the underlying profitability of Gentrack during this period.

(2) One-off listing costs: exclude the impact of $3.9 million of the one-off listing costs required to be expensed through the income statement which are expected to be incurred in relation to the Offer.

(3) Public company costs: include the full year impact of estimated additional ongoing public company costs associated with being a listed company of approximately $245,000 per annum assumed to be incurred by Gentrack following the completion of the Offer. These costs are assumed to be incurred for the full year, and therefore, FY2014PF includes 12 months of these costs rather than the three months actually expected to be incurred by Gentrack. On-going public company costs comprise recurring NZX and ASX listing fees, additional audit fees, annual Shareholder meeting costs, annual report generation costs and other additional sundry listing costs.

(4) Finance costs: the net interest expense in FY2014PF has been decreased by $1.4 million to illustrate the impact of operating with no bank debt from the beginning of the financial year, which is consistent with the anticipated capital structure post the Offer. This adjustment effectively assumes that the Offer occurred on the first day of the financial year (1 October 2013).

(5) Tax expense normalisation: adjusts the statutory tax expense for the impact of the Pro Forma adjustments, including management buyout and other costs, one-off listing costs, public company costs and finance costs. The tax expense normalisation is calculated at Gentrack's effective tax rate, the average tax paid on profit before tax for each financial year.

Reconciliations of Non-GAAP financial information

Set out below is a reconciliation of non-GAAP profitability measures and Pro Forma adjustments to statutory historical financial statements and PFI referred to in this Prospectus. The Pro Forma adjustment reference in the reconciliation table refers to the number of each adjustment in the description of Pro Forma adjustments above.

Reconciliation of statutory Net Profit to Pro Forma NPAT, NPATA, EBITA, EBITDA and Pre-tax Free Cash Flow

$000s		Historical					Prospective	
(Year ended 30 Sept)	Pro Forma adjustment	FY2009	FY2010	FY2011	FY2012[14]	FY2013	FY2014	FY2015
Statutory Net profit[15]		**3,463**	**4,706**	**6,066**	**4,104**	**6,636**	**3,743**	**9,280**
Pro Forma adjustment: MBO	(1)	-	-	-	1,975	170	12	-
Pro Forma adjustment: one-off listing	(2)	-	-	-	-	-	3,854	-
Pro Forma adjustment: Ongoing listing costs	(3)	(245)	(245)	(245)	(245)	(245)	(132)	-
Pro Forma adjustment: Finance cost	(4)	-	-	-	-	-	1,382	
Pro Forma adjustment: Tax expense	(5)	63	71	74	(667)	22	(350)	-
Pro Forma NPAT[16]		**3,281**	**4,532**	**5,895**	**5,167**	**6,583**	**8,509**	**9,280**
Amortisation of intangibles		1,490	1,295	1,223	1,775	1,999	2,021	2,087
Tax adjustment for amortisation		(382)	(374)	(370)	(684)	(576)	(560)	(560)
NPATA (Pro Forma)		**4,389**	**5,453**	**6,748**	**6,258**	**8,006**	**9,970**	**10,807**
Income tax expense		1,511	2,214	2,924	3,923	3,238	3,940	4,384
Net finance expense		1,586	696	1,127	1,435	1,828	-	6
Exchange differences		113	81	356	(29)	722	(182)	-
EBITA (Pro Forma)		**7,599**	**8,444**	**11,155**	**11,587**	**13,794**	**13,728**	**15,197**
Depreciation		153	169	198	202	209	243	316
EBITDA (Pro Forma)		**7,752**	**8,613**	**11,353**	**11,789**	**14,003**	**13,971**	**15,513**
Change in working capital		1,325	(2,436)	(1,962)	(1,757)	(125)	724	517
Capital expenditure		(126)	(531)	(175)	(202)	(460)	(221)	(776)
Pre-tax free cash flow (Pro Forma)		**8,951**	**5,646**	**9,216**	**9,830**	**13,418**	**14,474**	**15,254**

[14] FY2012 financial information has been derived from management accounts and audited GGL statutory financial statements as discussed in Section 9.2 *Overview of Gentrack's Financial Information* under the heading "Historical financial information".

[15] Statutory net profit is a NZ GAAP measure.

[16] Whilst noting that this is not statutory NPAT.

9.2.2 Overview of financial information

Overview of Income Statement

$000s	Historical					Prospective		
	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2014	FY2015
(Year ended 30 Sept)	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Statutory	Pro Forma	Statutory
Revenue	**23,597**	**25,872**	**32,204**	**34,325**	**40,126**	**40,582**	**40,582**	**44,695**
Growth (pcp)		*9.6%*	*24.5%*	*6.6%*	*16.9%*	*1.1%*	*1.1%*	*10.1%*
Expenditure	(15,845)	(17,259)	(20,851)	(22,536)	(26,123)	(26,479)	(26,611)	(29,182)
Underlying EBITDA	**7,752**	**8,613**	**11,353**	**11,789**	**14,003**	**14,103**	**13,971**	**15,513**
Non-operating costs	-	-	-	-	-	(3,866)	-	-
EBITDA	**7,752**	**8,613**	**11,353**	**11,789**	**14,003**	**10,237**	**13,971**	**15,513**
Depreciation	(153)	(169)	(198)	(202)	(209)	(243)	(243)	(316)
EBITA	**7,599**	**8,444**	**11,155**	**11,587**	**13,794**	**9,994**	**13,728**	**15,197**
Growth (pcp)		*11.1%*	*32.1%*	*3.9%*	*19.0%*	*(27.5%)*	*(0.5%)*	*10.7%*
EBITA margin	*32.2%*	*32.6%*	*34.6%*	*33.8%*	*34.4%*	*24.6%*	*33.8%*	*34.0%*
Net finance costs						(1,200)	182	(6)
Income tax expense						(3,590)	(3,940)	(4,384)
NPATA						5,204	9,970	10,807
NPAT (statutory)	3,463	4,706	6,066	4,104	6,636	3,743	n/a	9,280

Pre-tax Free Cash Flow

$000s	Historical					Prospective		
	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2014	FY2015
(Year ended 30 Sept)	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Statutory	Pro Forma	Statutory
EBITDA	7,752	8,613	11,353	11,789	14,003	10,237	13,971	15,513
Change in working capital	1,325	(2,436)	(1,962)	(1,757)	(125)	724	724	517
Capital expenditure	(126)	(531)	(175)	(202)	(460)	(221)	(221)	(776)
Pre-tax free cash flow	**8,951**	**5,646**	**9,216**	**9,830**	**13,418**	**10,740**	**14,474**	**15,254**
Pre-tax free cash flow as a % of EBITDA	*115%*	*66%*	*81%*	*83%*	*96%*	*105%*	*104%*	*98%*

Explanations of non-GAAP financial information

GGL's statutory financial statements in Appendix 2 *Gentrack Group Limited Audited Financial Statements* have been prepared in accordance with NZ GAAP. As such, they comply with NZ IFRS, as well as IFRS. In the table above, information has been sourced from the TPG, GGL and management accounts (as discussed under the heading *"Historical financial information"*). The TPG financial statements in FY2009, FY2010 and FY2011 have been audited and filed with ASIC in accordance with the Australian Corporations Act.

In order to assist readers of Gentrack's financial statements to better understand Gentrack's financial performance, Gentrack uses five non-GAAP financial measures, being EBITDA, underlying EBITDA, EBITA, NPATA and Pre-tax Free Cash Flow.

Because they are not defined by NZ GAAP, IFRS, or any other body of accounting standards, Gentrack's calculation of these measures may differ from similarly titled measures presented by other companies. These measures are intended to supplement the NZ GAAP measures presented in Gentrack's financial information, should not be considered in isolation and are not substitutes for those measures.

EBITDA and underlying EBITDA

EBITDA is earnings before net finance expense, tax, depreciation of tangible assets and amortisation of intangibles. EBITDA is a non-GAAP profit measure that is equal to "*profit before depreciation, amortisation, financing, and tax*".

Underlying EBITDA is a non-GAAP profit measure that is equal to "*profit before depreciation, amortisation, financing, and tax*" before "*non-operating costs*" that has been reported in historical financial statements and therefore is shown in the financial information.

EBITA

EBITA is earnings before net finance expense, tax and amortisation of acquisition related intangibles expenses.

Gentrack's management uses EBITA to evaluate the operating performance over time of Gentrack without the impact of non-cash amortisation of acquisition related intangibles, capital structure and tax position. Gentrack considers EBITA allows better comparison of operating performance with other companies than do NZ GAAP measures that include these items, although caution should be exercised as other companies may calculate EBITA differently.

NPATA or Net profit after tax before amortisation

NPATA represents net profit after tax adjusted for the amortisation of acquisition related intangibles and its associated tax effect.

Gentrack considers that NPATA allows better comparison of operating performance with other companies as it excludes the amortisation of acquisition related intangibles, resulting from the acquisition accounting effected in FY2012. This non-cash amortisation of acquired intangibles is unrelated to overall business performance.

Gentrack's dividend policy is based on 70-80% of NPATA as Gentrack believes NPATA better reflects the underlying profitability and cash generation of Gentrack than statutory net profit. Gentrack's dividend policy is described in detail in Section 9.4 *Prospective Financial Information* of this Prospectus under the heading "Dividends".

Pre-tax Free Cash Flow

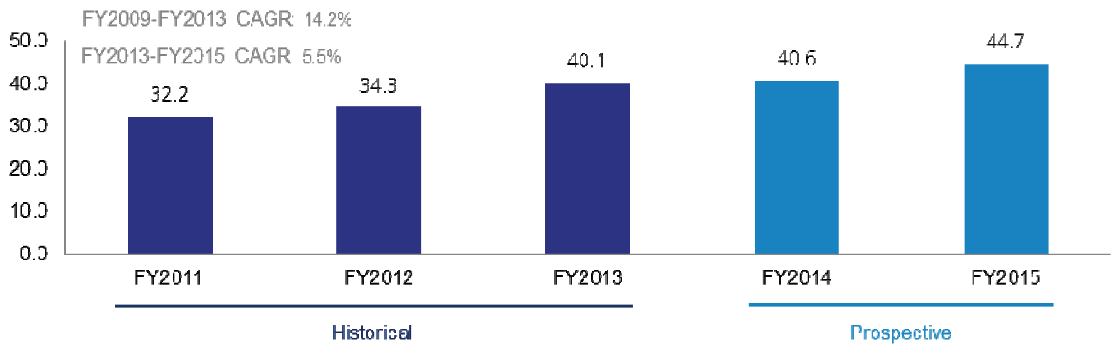
Pre-tax Free Cash Flow is calculated as EBITDA less changes in working capital less capital expenditure. Pre-tax Free Cash Flow is a non-GAAP financial measure presented to enable potential investors to consider Gentrack's historical and prospective conversion of EBITDA into cash.

Change in working capital represents the year on year cash movements within working capital and excludes the unrealised, non-cash impact of foreign currency translation.

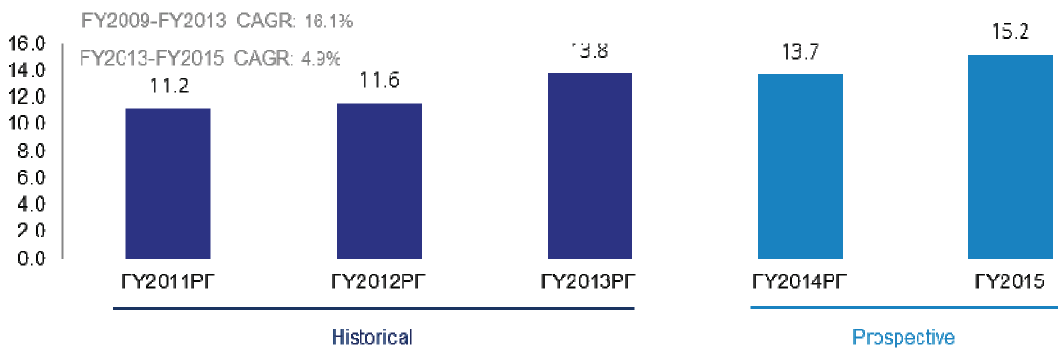
9.2.3 Explanations of Trends in financial performance

The chart below summarises the movements in revenue and Pro Forma EBITA over FY2011, FY2012 and FY2013 and the PFI for FY2014 and FY2015. This chart allows for a comparison of historical revenue and Pro Forma EBITA to that forecast in the Prospective Period.

Gentrack revenue trends
($ million)



Gentrack Pro Forma EBITA trends
($ million)



Below is an overview of the primary drivers of Gentrack's year on year revenue and Pro Forma EBITA performance for FY2011 to FY2015. A more detailed discussion of the assumptions underlying the PFI can be found in Section 9.4 *Prospective Financial Information* of this Prospectus.

Overview of historical revenue and Pro Forma EBITA for FY2011

EBITA increased by 32.1% from $8.4 million to $11.2 million primarily as a result of a 24.5% increase in revenue. Revenue growth of 24.5% was partially offset by a 20.8% increase in expenditure, resulting in a 2.0% EBITA margin increase reflecting:

- Gentrack cementing its position as a billing and CRM platform for many large Australian water companies with over $5.0 million of revenues from new customers;
- The implementation of Gentrack's data interface between smart meters and utilities companies to a customer for the first time;
- Several upgrade projects in New Zealand and new business wins by the Airports division;
- Gentrack increasing the number of employees by 21 in FY2011 in order to deliver software to new customers throughout the year. As the recruitment of these additional personnel was spread over FY2011, the full-year cost was not recognised until FY2012; and
- An increase in overheads resulting from the opening of the Brisbane office

Overview of historical revenue and Pro Forma EBITA for FY2012

EBITA increased by 3.9% to $11.6 million, primarily due to revenue growth of 6.6% that was partially offset by an increase in expenditure of 8.0%. Revenue growth reflected:

- Gentrack continuing to advance its position in the Australian water industry with the successful completion of a number of implementation projects;
- Upgrade projects amongst energy utilities in New Zealand supporting Gentrack's position as a leading provider of billing and CRM products in New Zealand; and
- The successful implementation of three large scale projects for Airports.

Expenditure increased approximately 8.0% in FY2012PF as the full year cost of new employees recruited in FY2011 was recognised, resulting in an EBITA margin decrease of 0.9%.

Overview of historical revenue and Pro Forma EBITA for FY2013

Gentrack increased EBITA by 19.1% from $11.6 million to $13.8 million, supported by a 16.9% increase in revenue to $40.1 million reflecting:

- Further inroads into the United Kingdom market with the signing of two customers, including Gentrack's first major water utility in that part of the world;
- The implementation of Gentrack's Velocity solution to a large new water utility in Australia;
- Significant levels of revenue generated from existing customers as a result of regulatory changes in both New Zealand and Australia;
- Several upgrades for existing New Zealand energy utilities and airports customers; and
- A reduction of $0.4 million in the airports division revenue as a result of a strong FY2012 and a significant investment of time and resource into winning contracts, including Sydney Airport and Auckland International Airport that provide revenue in subsequent years.

Gentrack increased its average FTEs by 23 in FY2013. The increase in revenue of 16.9% and increase in expenditure by 15.8%, largely attributable to increased staff numbers, resulted in a slight increase in EBITA margin to 34.4%.

Overview of prospective revenue and Pro Forma EBITA for FY2014

EBITA is forecast to decrease by 0.5% from $13.8 million to $13.7 million, as revenue growth of 1.1% is expected to be offset by a 1.9% increase in expenditure.

The appreciation of the New Zealand dollar against the Australian dollar has adversely impacted Gentrack's revenue and EBITA forecasts by $2.7 million and $1.8 million respectively (as described under "Overview of the Effect of Foreign Exchange" below). On a constant currency basis FY2014PF revenue and EBITA are forecast to increase 7.9% and 12.4% respectively, consistent with historical EBITA growth. The net increase in revenue reflects:

- An increase in Project Services revenue, predominantly in Australia and the United Kingdom, of which over 75% is expected to come from Gentrack's existing customer base in the form of major upgrades and new product implementations;
- Delayed spending on Support Services by two of Gentrack's New Zealand utility customers facing major corporate events;
- Growth in Annual Contracted Revenues of 5.8% despite the loss of Contact Energy; and
- An increase in Airport 20/20 revenue of $1.5 million to $5.5 million following several recent contract wins, including Bristol Airport, Sydney Airport and Auckland International Airport. Gentrack has forecast a $0.5 million increase in operating expenditure in FY2014PF predominantly due to increased personnel and the opening of a new office in the United Kingdom.

Overview of prospective revenue and EBITA for FY2015

EBITA is forecast to increase 10.7% from $13.7 million to $15.2 million, primarily due to revenue growth of 10.1% which is expected to be partially offset by a 9.7% increase in expenditure.

- Project Services revenue is forecast to increase, underpinned by currently contracted projects for existing customers in Australia and the United Kingdom;
- Several customer wins as Gentrack further penetrates the Australian utilities market and expands its operations in the United Kingdom; and
- Annual Contracted Revenues is forecast to increase by 6.3% (despite the loss of Contact Energy as a customer part way through FY2014), as the full year amount is recognised from customers where Gentrack Velocity and Airport 20/20 were implemented part way through FY2014 and existing customer price increases.

Gentrack expects to incur an additional $2.7 million of personnel costs as the full year impact of staff recruited in FY2014 is realised and average FTEs are increased from 191 in FY2014 to 207 in FY2015. Staff numbers are forecast to increase throughout the Prospective Period.

Overview of trends in statutory Net Profit

Trends in Net Profit are influenced by the movements in Pro Forma EBITA discussed above, a range of non-cash expenses, items one-off or unusual in nature and interest and tax costs. For example:

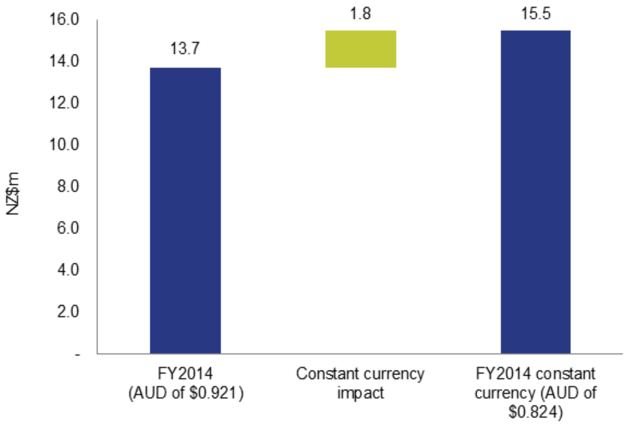
- FY2011 Net Profit of $6.1 million was a 29% increase on FY2010 Net Profit due to the revenue growth and increased expenses referred to in the FY2011 Pro Forma EBITA discussion above, offset by increased finance expenses, together with the tax effect therein.
- FY2012 Net Profit decreased by $2.0 million from FY2011 Net Profit primarily due to the $2.0 million of costs incurred in relation to the management buyout, offsetting revenue growth of 6.6% and operating expense growth of 8.0% as referred to in the FY2012 Pro Forma EBITA discussion above.
- FY2013 Net Profit increased by $2.5 million from FY2012 Net Profit as Gentrack increased its Pro Forma EBITA as discussed in the FY2013 Pro Forma EBITA discussion above and a small amount of one-off items were incurred.
- FY2014 Net Profit is forecast to decrease by $2.9 million from FY2013 Net Profit primarily due to $3.9 million of one-off listing costs expensed and the adverse impact of an increase in the Australian dollar relative to New Zealand dollar. These items are in addition to constant currency revenue and expenses growth as discussed in the FY2014 Pro Forma EBITA discussion above.
- FY2015 Net Profit is forecast to increase by $5.5 million from FY2014 Net Profit driven by an increase in EBITA as increases in expenditure are offset by revenue growth as referred to in the FY2015 EBITA discussion above, and the absence of one-off items that negatively impacted forecast Net Profit in FY2014.

Overview of the effect of foreign exchange

Gentrack's earnings are exposed to global foreign exchange rates. In particular, a large proportion of Gentrack's revenues are denominated in Australian Dollars and British Pounds. An element of natural hedging is available due to some costs being transacted in those currencies; however, a net exposure – relative to the New Zealand Dollar – exists in both currencies.

The appreciation of the New Zealand dollar relative to the Australian dollar has been a key constraining factor on Gentrack's forecast earnings in FY2014PF. It is estimated that the increase in the Australian dollar and New Zealand dollar cross rate from an average of $0.824 in FY2013 to an average of $0.925 in FY2014 will lead to a reduction in prospective FY2014PF revenue of $2.7 million and EBITA of $1.8 million, when compared on a constant currency basis (FY2015 would similarly increase significantly if FY2013 exchange rates were used in translating the offshore earnings). This impact is primarily borne by the utilities business, corresponding to a decrease in utilities revenue and EBITA of $2.4 million and $1.5 million respectively in forecast FY2014PF.

FY2014 constant currency EBITA bridge



9.3 Reconciliation of FY2012 extracted financial information

The 12 months to 30 September 2012 have been extracted from:

- Audited GGL financial statements for the 4.5 months of trading results from 16 May 2012 to 30 September 2012; and
- Unaudited TPG management accounts for the 7.5 months of trading results from 1 October 2011 to 15 May 2012.

Statement of Comprehensive Income

$000s (Year ended 30 Sept)	Actual TPG 7.5 months to 15 May 2012 Extracted	Actual GGL 4.5 months 30 September 2012 Audited	Actual 12 Months to 30 September 2012 Extracted
Revenue	21,134	13,191	34,325
Expenditure	(13,287)	(9,004)	(22,291)
Profit before depreciation, amortisation, non-operating costs, financing and tax	**7,847**	**4,187**	**12,034**
Depreciation and amortisation	(1,070)	(907)	(1,977)
Non-operating costs	(1,466)	(509)	(1,975)
Profit before financing and tax	**5,309**	**2,771**	**8,080**
Net finance cost	(434)	(972)	(1,406)
Profit/(loss)before income tax	**4,875**	**1,799**	**6,674**
Income tax (expense)/benefit	(2,088)	(484)	(2,572)
Profit/(loss) attributable to the shareholders of the company	**2,789**	**1,315**	**4,104**
Other comprehensive income	-	239	239
Total comprehensive income/(loss) for the period	**2,789**	**1,554**	**4,341**

Pre-tax Free Cash Flows

$000s (Year ended 30 Sept)	Actual TPG 7.5 months to 15 May 2012 Extracted	Actual GGL 4.5 months 30 September 2012 Audited	Actual 12 Months to 30 September 2012 Extracted
Pro Forma EBITDA	7,653	4,136	11,789
Change in working capital	(648)	(1,109)	(1,757)
Capital expenditure	(147)	(55)	(202)
Pre-tax free cash flow	**6,858**	**2,972**	**9,830**

9.4 PROSPECTIVE FINANCIAL INFORMATION

Introduction

The Prospective Financial Information (**PFI**) in this section is for the consolidated position of Gentrack (including its subsidiaries) and includes:

- The basis of preparation for the PFI for Gentrack, including the significant accounting policies applied;
- A description of the general and specific assumptions that underpin the PFI contained in this Prospectus;
- The PFI for Gentrack, as required by clause 11(1)(c) of Schedule 1 of the Securities Regulations, which includes a prospective statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows;
- An analysis of the sensitivity of PFI to changes in specific key assumptions; and
- The Investigating Accountant's Report.

Basis of preparation

The PFI has been prepared in accordance with Financial Reporting Standard 42: Prospective Financial Statements (FRS-42) as required by the Securities Regulations.

The PFI, including the assumptions underlying it, has been prepared by management and approved by the Board. It is based on the Directors' assessment of events and conditions existing at the date of this Prospectus and the accounting policies and assumptions set under the headings "*General Assumptions*" and "*Specific Assumptions*" below. The Directors have given due care and attention to the preparation of the PFI, including the underlying assumptions. These assumptions should be read in conjunction with the other information in this Prospectus (including, in particular, the information in Section 8 *What are my Risks?*).

PFI by its nature involves risks and uncertainties, many of which are beyond the control of Gentrack. The Board believes that the PFI has been prepared with due care and attention, and consider the assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. Actual results are likely to vary from the information presented as anticipated events and results may not occur as expected, and the variations may be material. Accordingly, neither the Directors nor any other person can provide any assurance that the PFI will be achieved and investors are cautioned not to place undue reliance on the PFI.

The directors of GGL are responsible for and have authorised for issue the PFI on 23 May 2014 for use in this Prospectus. The PFI covers the periods from:

- 1 October 2013 to 30 September 2014 (FY2014) which includes unaudited actual results for the period from 1 October 2013 to 31 March 2014, and forecast trading for the period 1 April 2014 to 30 September 2014; and
- 1 October 2014 to 30 September 2015 (FY2015).

The period from 1 April 2014 to 30 September 2015 is referred to in this as the "Prospective Period".

There is no present intention to update the PFI or to publish PFI in the future. Gentrack will report actual financial results against the PFI in accordance with NZ GAAP in the financial statements for the periods ending 30 September 2014 and 30 September 2015 under Regulation 44 of the Securities Regulations.

The PFI includes items considered non-GAAP financial information, including profit measures other than Net Profit. This section also presents the Pro Forma prospective statement of comprehensive income for FY2014 including the following adjustments:

- The inclusion of the full year impact of estimated additional ongoing public company costs;
- The exclusion of the impact of one-off listing costs incurred in relation to the Offer;
- The net interest expense has been reduced by $1.4 million to illustrate the impact of operating with no bank debt from the beginning of the financial year, which is consistent with the anticipated capital structure post the Offer.
- Tax-related adjustments arising from the public company costs, one-off listing costs and the new capital structure.

Non-GAAP measures and the Pro Forma adjustments made are explained in Section 9.2.1 *Financial information presented* of this Prospectus, including a reconciliation of statutory Net Profit to Pro Forma NPAT, NPATA, EBITA, EBITDA, and Pre-tax Free Cash Flow. Where non-GAAP financial information is reported there is a reference to further information to help you interpret those items.

Notes to the prospective financial information

The principal assumptions on which the PFI has been prepared are set out below. These assumptions should be read in conjunction with the risk factors set out in Section 8 *What are my Risks?* of this Prospectus and the sensitivity analysis below.

Accounting policies

Gentrack's accounting policies will remain consistent throughout the period covered by the PFI. It is also assumed there will be no material change in NZ GAAP during this period. Gentrack's existing accounting policies are set out in the historical financial statements for the year ended 30 September 2013 included in Appendix 2 *Gentrack Group Limited Audited Financial Statements*.

General assumptions

1 **Economic environment** – there will be no material change in the general economic environments in which Gentrack operates or sells its products.

2 **Political, legislative and regulatory environment** – there will be no material change to the political, legal or regulatory environments in which Gentrack operates or sells its products.

3 **Competitive environment** – there will be no material change to the competitive dynamics of the markets in which Gentrack operates or sells its products, including any material change in competitor activity. No new entrants will materially change the competitive environment. The nature and extent of competition in any new markets which Gentrack enters will be comparable to that currently exhibited in its existing markets.

4 **Industry conditions** – there will be no material change in the general industry structure, third party relationships or employee environments.

5 **Taxation** – there will be no material change to the income tax, excise tax or goods and services tax regime in any country or state where Gentrack operates or sells its products, including no change to the corporate tax rates in those countries.

6 **Management of Gentrack** – no directors or key personnel will leave Gentrack and management resources will be sufficient for Gentrack's requirements.

7 **Operating environment** – there will be no material costs incurred through either industrial or contractual disputes.

8 **Disruption to operations** – there will be no material disruption to operations, including through natural disasters, fires or explosions or quality issues, product recall requirements or through normal hazards associated with Gentrack's activities (including disruptions to or affecting any of Gentrack's key clients).

9 **Key customers / suppliers and distribution channels** – there will be no unanticipated loss of key customers or suppliers.

Specific assumptions

1 *Revenue*

Revenue is expected to increase by 1.1% in FY2014 to $40.6 million and by 10.1% in FY2015 to $44.7 million, driven by continuing demand for Gentrack's products and services across both utilities and airports. Sales growth is expected to be facilitated by the further penetration of existing core markets (Australia and New Zealand) and ongoing expansion in the United Kingdom electricity, gas and water industries and airports globally.

Gentrack's prospective revenue forecast has been determined based on:

(a) Continued growth in Annual Contracted Revenues and non-contracted Support Services revenue derived from Gentrack's existing customer base.

(b) New business opportunities which Gentrack has assessed as existing within the addressable market for its products and services and the expected growth rates in each market.

(c) Historical sales track record and the existing sales pipeline for Gentrack.

(d) Foreign exchange rates that are in line with recent exchange rate forecasts from a selection of financial and economic institutions.

Gentrack's revenue is supported by annual revenues which flow from its long term customer base. These annual revenues are in part contracted (Annual Contracted Revenues) with the remainder coming from non-contracted but historically consistent Support Services. Approximately 61% of total revenue forecasted for FY2014 and FY2015 is anticipated to be generated from Annual Contracted Revenues and non-contracted but predictable Support Services.

In addition to considering the factors discussed above, the following category specific factors have been considered.

Revenue by industry

$ million	Historical					Prospective	
(Year ended 30 Sept)	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Utilities	20.6	22.0	28.0	29.2	35.7	34.7	38.5
Airports	3.0	3.8	3.8	4.7	4.0	5.5	5.7
Research and other	-	-	0.4	0.4	0.4	0.4	0.5
Total	**23.6**	**25.9**	**32.2**	**34.3**	**40.1**	**40.6**	**44.7**

Utilities

As a result of its origins in the New Zealand electricity market, Gentrack has an established position in the New Zealand and Australian electricity and gas billing and CRM software markets. Combined with additional Project Service and Support Service revenue from its existing customer base, Gentrack expects to further penetrate into the Australian energy market and continue its expansion into emerging energy companies in the United Kingdom during the Prospective Period.

The water industry is expected to provide revenue growth in the Prospective Period as a result of new customer opportunities in Australia and the United Kingdom. Gentrack has identified a number of existing Australian customers requiring upgrades and new target customers. The

United Kingdom is anticipated to provide a number of new water industry opportunities, particularly within the commercial and industrial markets, due to ongoing deregulation.

Gentrack has historically achieved a utilities revenue compounded annual growth rate of 14.7% over the last five years. Gentrack has forecast a decline in utilities revenue of 2.6% in FY2014 (4.4% increase excluding the impact of the increase in the New Zealand dollar and Australian dollar exchange rate) and growth of 10.9% in FY2015. Utilities revenue growth in FY2014 has been suppressed due to delayed spending on support services by two of Gentrack's customers facing major corporate events. In addition, the switch of Contact Energy to an alternative provider is expected to provide a headwind in the Prospective Period. Approximately 88.0% of FY2014 and 62% of FY2015 utilities revenue is forecast to come from already contracted projects, Annual Contracted Revenues and Support Services for both new and existing customers.

Airports

Gentrack has established a strengthening market position in the global airport operational system market since acquiring the Airport 20/20 business in 1999. Since that time Airport 20/20 has more than doubled the number of customers to over 30, with locations spread all over the globe. Airport privatisation and renewal programmes are resulting in investment in new systems to improve management of airport resources as well as delivering a stronger passenger experience.

Gentrack has forecast Airport 20/20's revenue growth of 36.2% in FY2014 following several recent contract wins, including Bristol Airport, Sydney Airport and Auckland International Airport. Approximately 14.7% of Airport 20/20's revenue in FY2015 is forecast to come from new customers, underpinned by further penetration of the European market and a targeted expansion into North America.

The combination of growing annual fees and new customer wins has enabled Airport 20/20 to sustain a revenue compounded annual growth rate of 7.7% over the last five years.

Research and other

Other revenue primarily relates to a research grant of up to $2.1 million, spread over three years, awarded to Gentrack in February 2014 by Callaghan Innovation (a New Zealand Crown Agency). Revenue related to the grant is to be recognised over the period FY2014 to FY2016. The grant requires an investment in product research by Gentrack of approximately five times the amount awarded. Gentrack does not anticipate claiming the full amount of this grant as its total research expenditure is expected to be less than five times the total available amount over the period of the award. Gentrack has historically received research grants from the New Zealand Government.

Revenue by type

$ million	Historical					Prospective	
(Year ended 30 Sept)	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Licence Fees	3.1	4.0	3.4	4.6	4.0	3.5	3.6
Annual Contracted Revenues	7.7	8.5	9.6	9.4	10.9	11.6	12.3
Project Services	2.8	5.5	11.1	11.3	8.9	11.2	14.1
Support Services	10.0	7.9	7.6	8.7	15.9	13.9	14.2
Research and other	-	-	0.4	0.4	0.4	0.4	0.5
Total	**23.6**	**25.9**	**32.2**	**34.3**	**40.1**	**40.6**	**44.7**

Licence Fees

Licence Fees are payable by customers for the initial installation of the Gentrack Velocity or Airport 20/20 software products, any subsequent software upgrades and increases in the volumes (for example, end users or client customers) on which the licensing is based.

Gentrack's forecast Licence Fee revenue in the Prospective Period is predominantly from existing customer upgrades and new customers in the Australian and United Kingdom electricity, gas and water industries and airports globally. Licence Fee revenue is forecast to ease in FY2014 as a large proportion of revenue from existing customer upgrades is expected, which has a lower contribution to Licence Fees compared to new customer implementations. Approximately 72% in FY2014 and 31% in FY2015 of Licence Fee revenue is anticipated to come from existing customers.

Project Services

Project Services revenue is generated from existing customer upgrades and new customer implementations and relates to system implementation, testing and other business services. Gentrack has forecast growth in Project Services revenue of 26.0% in FY2014 and 26.1% in FY2015, predominantly from existing customer upgrades and new customers in the Australian and United Kingdom electricity, gas and water industries and airports globally. Approximately 75% of FY2014 Project Services revenue is expected to be generated from existing customers, a significant amount of which is already contracted and underway. In FY2015, Gentrack expects 63% of Project Services revenue to be generated from existing customers as the contribution from new utilities and airports customers increases.

Annual Contracted Revenues

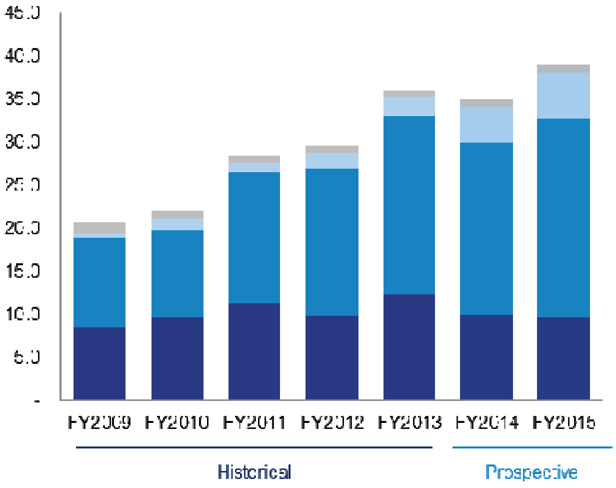
Gentrack charges an annual fee for the ongoing use and support of its software. Annual fees are typically subject to a yearly price adjustment (CPI indexed). Annual Contracted Revenues are also increased with volumes (for example, end users or client consumers) on which the licensing is based. Gentrack has forecast Annual Contracted Revenues to increase by 5.8% in FY2014 and 6.3% in FY2015 as a result of annual CPI linked increases and the addition of new and current implementations carried out in FY2014 and early FY2015.

Support Services

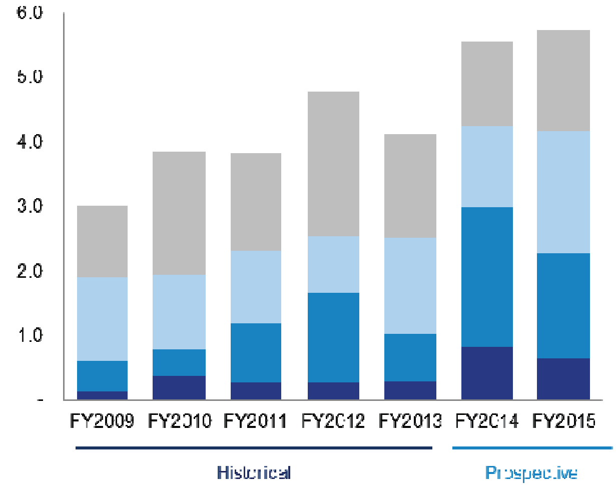
Support Services revenue is forecast to ease in FY2014 and remain stable in FY2015 as the expected effort expended on new projects increases. As these new projects conclude and customers enter into a more business as usual relationship, the level of Support Services is anticipated to rebound. Historically, Gentrack has been able to rely on an increase in Support Services revenue from customers that have delayed implementation projects. Support Services revenue provides operational flexibility for Gentrack when managing large scale implementation projects.

Revenue by geography

Utilities
($ million)



Airports
($ million)



■ New Zealand ■ Australia ■ Europe/UK ■ ROW

2 *Operating expenditure*

Gentrack's forecast total operating expenditure is set out in the table below:

$ million (Year ended 30 Sept)	Historical FY2013 Pro Forma	Prospective FY2014 Statutory	FY2014 Pro Forma	FY2015 Statutory
Personnel costs	20.5	20.8	20.8	23.5
Administration and occupancy	3.2	3.4	3.5	3.7
Sales and marketing	0.7	0.7	0.7	0.8
Other costs	1.7	1.6	1.6	1.2
Operating expenditure	**26.1**	**26.5**	**26.6**	**29.2**

- Personnel costs include all costs directly associated with the employment or sub-contracting of the people who work for Gentrack. These costs include salaries and related on-costs, sub-contractor fees, directors' fees, personnel insurances, payroll taxes, recruitment, training, staff welfare and travel. Forecast costs are based on the existing salary and remuneration arrangements with the current staff, cost of living increases, salaries for new staff at similar rates to current staff, and other staff related costs expected to increase in line with staff numbers. Because Gentrack's primary business is the provision of software and associated services, personnel costs are the largest overhead. The numbers of personnel are forecast to rise during the Prospective Period to accommodate not only the increasing level of services work anticipated by Gentrack but also its commitment to the on-going development of its software products. The table below shows the average full time equivalent (**FTE**) employees over the historical period and Prospective Period.

Average staff (FTEs)

(Year ended 30 Sept)	Historical FY2009	FY2010	FY2011	FY2012	FY2013	Prospective FY2014	FY2015
Utilities	91	94	113	122	142	156	171
Airports	13	13	17	17	19	22	22
Corporate	15	12	12	13	14	13	14
Total	**120**	**119**	**142**	**152**	**175**	**191**	**207**

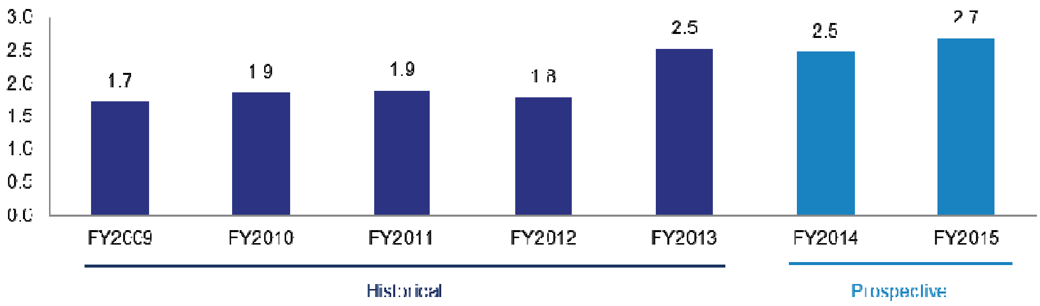
- Administration and occupancy costs cover expenses for IT infrastructure, communications, occupancy and professional fees incurred in the ordinary course of business. Prospective costs include the additional expenses that will ensue from operating as a listed entity.

- Sales and marketing expenses are forecast to increase to assist Gentrack's expansion into new markets.

- Other costs relate to third party licence costs, annual fees and services payable to software and implementation partners on certain products and services supplied to customers. The forecast costs are based on known costs in relation to third party Licence Fees and estimates based on historical information of anticipated external costs directly incurred from the earning of the forecasted revenue. These costs are forecast to decrease primarily due to the reducing dependence on third party licensed products.

- Gentrack's direct investment into research and innovation on an annual basis amounts to approximately 17% of its software specific revenue. This investment is its direct cost to drive innovation and meet customer needs, industry changes and technological advances in its base products. This does not include the considerable amount of paid innovation that Gentrack carries out each year for its customers, some of the ideas from which can assist with base product development. Despite Gentrack's significant investment in research and ongoing improvement of its products, it does not capitalise the costs associated with this internal effort. It does however carry an intangible asset in the balance sheet as a result of the acquisition made by GGL of the previous parent (TPG) of the Gentrack business in May of 2012. This amount is being amortised in accordance with the policy set out in paragraph 7 below.

Research and development expenditure (excluding amortised acquired intangibles)
($ million)



3 *Segment contribution (Pro Forma)*

Gentrack currently operates in two business segments, utility billing and CRM software ("Utilities") and airport management software ("Airports"). Segment contribution represents the contribution of each division before depreciation, amortisation, financing non-operating costs and tax.

$000s	Historical					Prospective	
(Year ended 30 Sept)	FY2009 Pro Forma	FY2010 Pro Forma	FY2011 Pro Forma	FY2012 Pro Forma	FY2013 Pro Forma	FY2014 Pro Forma	FY2015 Statutory
Utilities	7,359	7,857	10,563	11,002	13,575	12,641	13,658
Airports	637	1,000	1,035	1,031	673	1,462	1,855
Segment contribution before depreciation, amortisation, financing, non operating cost, pro-forma adjustments and tax	**7,996**	**8,857**	**11,598**	**12,033**	**14,248**	**14,103**	**15,513**
Ongoing listing costs adjustment	(245)	(245)	(245)	(245)	(245)	(132)	-
EBITDA	**7,752**	**8,613**	**11,353**	**11,789**	**14,003**	**13,971**	**15,513**

4 *Finance income and expenses*

The interest expense in statutory FY2014 is mainly due to the bank debt maintained by Gentrack up to the time of the Offer. As the funds raised under the Offer by GGL will first be used to pay back all bank debt, no interest expense of any significance is expected for the Prospective Period following the Offer.

5 *Taxation*

Gentrack expects to be profitable across the period covered by the PFI. Tax expenses have been calculated based on current rates in the regions where the profit is anticipated to be made.

6 *Capital expenditure*

The business carried out by Gentrack is not capital intensive. As a result, there has been only modest levels of capital expenditure historically. Gentrack does not expect that capital expenditure requirements will materially change over the Prospective Period relative to its size. The PFI includes capital expenditure of approximately $221,000 and $776,000 for FY2014 and

FY2015 respectively. Capital expenditure includes office equipment and furnishings, computers and acquired software.

7 *Depreciation and amortisation*

Depreciation rates adopted in the Prospective Period are as follows (based on an assessment of the useful/economic lives of assets):

	Useful life (Straight Line)
Office equipment, fixtures and fittings	7 years
Computer equipment	3 to 7 years
Leasehold improvements	Term of lease

As mentioned under "*Operating Expenditure*" above, Gentrack has intangibles and goodwill on its balance sheet as a result of an earlier acquisition of the business in May 2012. The intangibles include fair values for software, customer relationships and brands. Brands and the Goodwill arising from the acquisition are considered to have an indefinite useful life and are held at cost and are not amortised, but are subject to an annual impairment test. The FY2014 and FY2015 goodwill values reflect the assumption that there will be no impairment of goodwill. Other intangible assets (internal use software, acquired source code and customer relationships) are amortised on a straight line basis over their estimated useful lives:

	Useful life (Straight Line)
Acquired source code (software)	10 years
Customer relationships	10 years
Internal use software	3 years

Other intangible assets are not anticipated to have any future cash outflows related to them.

8 *Dividends*

GGL intends to pay dividends at between 70-80% of NPATA (defined as net profit after tax adjusted for the amortisation of acquisition related intangibles), subject to its outlook and its capital and liquidity requirements. GGL intends to pay dividends semi-annually, typically in June and December of each year and to impute and / or frank dividends to the greatest extent possible given the level of imputation and franking credits available.

Subject to the Gentrack's forecast being achieved and other relevant factors, the Board expects to declare:

- A final dividend of $2.6 million (equates to 3.4 to 3.6 cents per Share)[17] for the period from the Allotment Date to the end of the FY2014 financial year (to be paid in December 2014); and
- An interim dividend of $3.0 million (equates to 3.9 to 4.1 cents per Share)[1] and final dividend of $5.2 million (equates to 6.9 to 7.2 cents per Share)[1] in respect of the FY2015 financial year to be paid in June 2015 and December 2015 respectively.

These dividends are expected to be fully imputed for New Zealand tax purposes and partially franked for Australian tax purposes during the prospective period. However, as GGL expands offshore, the level of imputation and franking credits available are likely to reduce.

Despite the intentions set out above, the Issuers can give no assurances as to the level or frequency of any dividend (or other distributions, if any) payable, or the level of imputation credits, if any, attached to any dividends.

[17] Based on the indicative price per share range and number of shares on issue following completion of the Offer.

9 *Capital Raising of new Shares in Gentrack and non-operating costs*

It is assumed that GGL will receive gross proceeds of $36.0 million from the offer of new Shares. Gentrack will pay all costs directly attributable to the Offer, which is currently estimated to total $4.7 million including for NZX and ASX listing fees, share registry costs, legal fees, accounting fees, UBS' fees, advertising costs, Prospectus and Investment Statement design, printing costs and postage costs relating to the Offer.[18] Gentrack is not responsible for paying any brokerage fees. Rather, Gentrack pays fees to the UBS, who is then responsible to pay any NZX firm brokerage and commission fees. Of this amount $0.9 million will be accounted for as a reduction in equity and $3.9 million will be expensed to the Income Statement (as non-operating costs) in accordance with the intended accounting policy set out in paragraph 10 below.

10 *Share Capital*

Ordinary share capital is recognised as the consideration received by GGL. Transaction costs related to the listing of new Shares and the simultaneous sale and listing of existing Shares are allocated to those transactions on a proportional basis. Transaction costs relating to the sale and listing of existing Shares are not considered costs of an equity instrument as no equity instrument is issued, and consequently these costs are recognised as an expense in the Statement of Comprehensive Income when incurred. Transaction costs related to the issue of new share capital are recognised directly in equity as a reduction of the share proceeds received.

11 *Exchange Rates*

Gentrack receives a proportion of its revenues in foreign currencies, of which, Australian dollars (AUD) and British Pounds (GBP) have the largest contribution. An element of natural hedging is available due to some costs being transacted in those currencies, however, a net exposure exists in both currencies.

The forecasted foreign currency amounts included in the Prospective Period have been converted at the following rates:

Foreign Currency	NZ$
AUD	0.93
GBP	0.51

The rates are consistent with an average of recent exchange rate forecasts from a selection of financial and economic institutions for the remainder of the Prospective Period.

The appreciation of the Australian dollar relative to the New Zealand dollar has been a key impediment to Gentrack's forecast earnings in FY2014. It is forecast that the increase in the Australian dollar and New Zealand dollar cross rate from an average of $0.824 in FY2013 to an average of $0.925 in FY2014 will result in a reduction in reported full year revenue and EBITA of $2.7 million and $1.8 million respectively when compared on a constant currency basis.

18 The anticipated Offer costs are based on estimates received from Gentrack's professional advisers and other external suppliers. Offer costs have been calculated based on an Offer size of $89 million (being approximately $36 million in respect of new Shares offered by GGL and $53 million in respect of the existing Shares offered by the Offeror). Any increase or reduction in the Offer size will vary the Offer costs.

12 *Working capital*

Working capital requirements over the Prospective Period will be impacted as follows:

Receivables	Receivable balances are forecast to decrease in FY2014 and FY2015 due to an improvement in debtor days. The majority of the FY2014 decrease in debtor days occurred in the interim period to 31 March 2014, with an upward trend in receivable balances forecast in line with increased revenue from 1 April 2014 to 30 September 2014. Historically working capital has fluctuated in line with increases and decreases in accounts receivable, dependent on the level of sales activity near financial year end.
Creditors	Prospective creditor balances have been forecast based on contractor and supplier payment terms which are not anticipated to change significantly over the Prospective Period.
Revenue received in advance	As discussed above, Gentrack invoices in advance for some of its services, particularly the recurring revenue arrangements. This results in a sizeable deferred revenue amount being maintained on the balance sheet. Although this would normally be expected to increase over the Prospective Period in line with the forecast increases in recurring revenue, this expected increase is likely to be more than offset by the relatively faster growing value of monthly paying customers versus those paying their recurring fees annually.
Employee entitlements	The liability for employees' compensation for future leave has been accrued based on forecasted entitlements by person and the expected pattern of use. Employee incentive obligations have been accrued based on current and expected incentive targets.

Prospective Statement of Comprehensive Income

$000s (Year ended 30 Sept)	**FY2014 Statutory**	**FY2014 Pro Forma**	**FY2015 Statutory**
Revenue	40,582	40,582	44,695
Expenditure	(26,479)	(26,611)	(29,182)
Profit before depreciation, amortisation, non-operating costs, financing and tax	**14,103**	**13,971**	**15,513**
Depreciation and amortisation	(2,264)	(2,264)	(2,403)
Non-operating costs	(3,866)	-	-
Profit before financing and tax	**7,973**	**11,707**	**13,110**
Net finance cost	(1,200)	182	(6)
Profit/(loss)before income tax	**6,773**	**11,889**	**13,104**
Income tax (expense)/benefit	(3,030)	(3,380)	(3,824)
Profit/(loss) attributable to the shareholders of the company	**3,743**	**8,509**	**9,280**
Other comprehensive income	(380)	(380)	-
Total comprehensive income/(loss) for the period	**3,363**	**8,129**	**9,280**

Note: This information is unaudited.

Prospective Statement of Financial Position

$000s (Year ended 30 Sept)	**FY2014 Statutory**	**FY2015 Statutory**
ASSETS		
Current assets		
Cash and cash equivalents	5,331	10,744
Trade and other receivables	10,962	10,792
Total current assets	**16,293**	**21,536**
Non-current assets		
Property, plant and equipment	699	818
Goodwill	40,277	40,277
Intangibles	20,278	18,532
Deferred tax asset	1,657	1,793
Total non-current assets	**62,911**	**61,420**
TOTAL ASSETS	**79,204**	**82,956**
LIABILITIES		
Current liabilities		
Trade payables and accruals	1,444	1,407
Deferred revenues	3,953	3,989
GST payable	396	346
Employee entitlements	1,539	1,910
Income tax payable	1,003	1,282
Borrowings	30	24
Total current liabilities	**8,365**	**8,958**
Non-current liabilities		
Employees entitlements	287	312
Borrowings	79	55
Deferred tax liabilities	4,245	3,686
Total non-current liabilities	**4, 611**	**4,053**
TOTAL LIABILITIES	**12,976**	**13,011**
NET ASSETS	**66,228**	**69,945**
EQUITY		
Ordinary share capital	60,601	60,601
Retained earnings	5,539	9,256
Reserves	88	88
Total shareholders’ equity	**66,228**	**69,945**

Note: This information is unaudited.

Prospective Statement of Changes in Equity

$000s (Year ended 30 Sept)	**FY2014** **Statutory**	**FY2015** **Statutory**
Total equity		
Balance at beginning of year	33,817	66,228
Transactions with owners: issue of capital (net of fees), dividends	29,048	(5,563)
Total comprehensive income for the period, net of tax	3,363	9,280
Balance at end of year	**66,228**	**69,945**
Represented by:		
Share capital		
Balance at beginning of year	25,398	60,601
Issue of shares	35,203	-
Balance at end of year	**60,601**	**60,601**
Translation reserve		
Balance at beginning of year	468	88
Other comprehensive income	(380)	-
Balance at end of year	**88**	**88**
Retained earnings		
Balance at beginning of year	7,951	5,539
Comprehensive income		
Profit for the year	3,743	9,280
Dividend paid to owners	(6,155)	(5,563)
Balance at end of year	**5,539**	**9,256**
Total equity at end of year	**66,228**	**69,945**

Note: This information is unaudited.

Prospective Statement of Cash Flows

$000s (Year ended 30 Sept)	**FY2014** **Statutory**	**FY2015** **Statutory**
Cash flows from operating activities		
Receipts from customers	41,165	44,837
Payments to suppliers and employees (including $3.9 m of one-off listing costs)	(30,205)	(28,808)
Income tax paid	(4,659)	(4,240)
Net cash flows from operating activities	**6,301**	**11,789**
Cash flows from investing activities		
Purchase of property, plant and equipment	(168)	(434)
Increase in other intangibles	(53)	(341)
Net cash flows from investing activities	**(221)**	**(776)**
Cash flows from financing activities		
Net proceeds from issue of share capital	35,203	-
Repayments of borrowings	(33,100)	(31)
Drawdown of borrowings	4,542	-
Dividends paid	(6,155)	(5,563)
Net interest received/(paid)	(1,382)	(6)
Net cash flows from financing activities	**(892)**	**(5,600)**
Net increase/(decrease) in cash held	**5,188**	**5,413**
Opening cash and cash equivalents	143	5,331
Closing cash and cash equivalents (net of overdrafts)	**5,331**	**10,744**

Note: This information is unaudited.

Group sensitivity analysis

PFI is inherently subject to uncertainty and accordingly actual results are likely to vary from the PFI and this variation could be material. You can find a full description of the assumptions relevant to the PFI for FY2014 and FY2015 above, along with a description of risks in Section 8 *What are my Risks?* of this Prospectus.

The sensitivity analysis below is provided to assist you with assessing the potential effects of variations in certain key assumptions (defined as those most likely to materially affect results). The sensitivities for each assumption are not intended to be indicative or predictive of the possible range of outcomes but are for information purposes to allow potential investors to gain an understanding of the sensitivities of financial outcomes to changes in these key assumptions.

Care should be taken in interpreting the information set out below. Each movement in an assumption is treated in isolation from possible movements in other assumptions, which is not likely to be the case. Movements in one assumption may have offsetting or compounding effects on other variables, the impact of which is not reflected in the PFI. In addition, it is possible that more than one assumption may move at any point in time, giving rise to cumulative effects, which are not reflected in the PFI.

Two key assumptions that are considered to have a significant potential impact on the prospective financial performance of Gentrack are:

Sales

Whilst Gentrack has a significant level of contracted and repeat customers, part of the revenue during the Prospective Period is assumed to arise from new customer relationships. The timing and quantum of these new relationships are a potential source of uncertainty.

The sensitivity analysis table below shows the estimated impact of a pro-rata change in sales, assuming the product and market mix is unchanged. If customer sales contracts are negatively impacted or delayed in a particular financial year then Gentrack will incur less implementation and direct labour costs associated with that customer during that particular financial year.

Exchange rates

Gentrack receives a proportion of its revenues and incurs local market costs in foreign currencies, of which, Australian dollars (AUD) is the largest contribution. The exchange rate assumptions are set out in paragraph 10 above. If the exchange rates change then this will affect the value of sales and local market costs in foreign markets. The sensitivity analysis table shows the estimated impact of a change in the New Zealand dollar against the Australian dollar.

The sensitivities do not reflect any currency hedging programmes that may be put in place. Further detail regarding the foreign exchange assumptions used in the PFI and Gentrack's foreign exchange policy can be found in paragraph 11 above.

The impact on sales and net profit of flexing the sales and exchange rates are set out in the table below:

Sensitivity Analysis

Sensitivity ($000s)	Increase/ (Decrease)	Measure Impacted	**6 Months to 30 September 2014**	**12 Months to 30 September 2015**
Movement in revenue	+/-$1.0 million	Net profit	690	701
Movement in the NZ dollar against the Australian dollar	+/-5%	Revenue	706	1,443
		Net profit	345	594

The above sensitivities do not take into account any mitigating measure that Gentrack may take. In the case of a reduction in new sales volumes or a delay in execution of customer sales contracts Gentrack would endeavour to increase other revenue streams such as Support Services revenue.

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The Directors of Gentrack Group Limited
The Directors of Gentrack Share Sale Company Limited
Gentrack Group Limited
Gentrack Share Sale Company Limited
(together the "Addressees")
25 College Hill
Freemans Bay
Auckland 1140

26 May 2014

Dear Directors

Investigating Accountant's limited assurance Report on the Prospective Financial Information

This report has been prepared by KPMG in accordance with the terms of our engagement letter dated 4 February 2014 at the request of the Addressees for inclusion in the Prospectus to be dated on or about 26 May 2014 ("Prospectus").

References to defined words and other terminology used in this report have the same meaning as in the Prospectus.

Directors responsibilities

The Directors are responsible for the preparation and presentation of the Prospective Financial Information, including the assumptions based on best information that are reasonable and supportable (as defined in FRS-42 *Prospective Financial Information* issued by the New Zealand Institute of Chartered Accountants), on which the Prospective Financial Information is based.

KPMG responsibilities

Our responsibility is to perform a limited assurance engagement as described below and to express a conclusion based on the results of our work.

We have conducted our work in accordance with International Standard on Assurance Engagements (New Zealand) 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial information* issued by the External Reporting Board.

Our procedures consisted primarily of enquiry, discussion and comparison and other such analytical review procedures we considered necessary so as to provide limited assurance as to whether anything has come to our attention that causes us to believe that the assumptions set in section 9 of the Prospectus do not provide, in all material respects, a reasonable and supportable basis (defined in FRS-42) based on our understanding for the Prospective Financial Information, or that the forecasts are unreasonable.

The procedures selected depend on our understanding of the Prospective Financial Information, Gentrack's business plan, identified key assumptions, and our consideration of areas where material misstatements are likely to arise.

Other than as mentioned above, the scope of this engagement has not extended to performing any procedures by way of audit, review or verification of the underlying records or other sources from which the amounts included in the Prospective Financial Information were extracted. Limited assurance is less than reasonable assurance.

Our conclusion

Based on our limited assurance procedures on the Prospective Financial Information and the Directors' assumptions, which is not an audit, nothing has come to our attention that causes us to believe that the Directors' assumptions set out in Section 9 of the Prospectus, which are subject to the risks set out in Section 8 of the Prospectus, do not provide, in all material respects, a reasonable and supportable basis (as defined in FRS 42) for the Prospective Financial Information, or that the forecasts are unreasonable.

Actual results during the forecast period may vary materially from the Prospective Financial Information, as it is often the case that some events and circumstances do not occur as expected, or are not anticipated. We do not confirm, guarantee or express an opinion as to whether the actual results will approximate those forecast because assumptions regarding future events, by their nature, are not capable of independent substantiation.

We completed the procedures on 26 May 2014 and our findings are reported as at that date.

Restriction on use of our report

This report is made solely to the Addressees for inclusion in the Prospectus. To the fullest extent permitted by law and subject to section 61 of the Securities Act 1978 we do not accept or assume responsibility to anyone other than the Addressees of this report for the conclusions that we have formed.

We disclaim any assumption of responsibility for reliance on this report or the amounts included in the Prospective Financial Information for any other purpose other than that for which they were prepared. In addition, we take no responsibility for, nor do we report on, any part of the Prospectus not specifically mentioned in this report.

Independence or disclosure of interest

KPMG does not have any interest in the outcome of the Offer other than the preparation of this Report and participation in due diligence in connection with the Prospectus and our role as

Auditor and tax advisor to Gentrack, for which normal professional fees are being received. We have no relationship with or interest in Gentrack other than our capacities described above.

KPMG has given and has not, before delivery of a copy of the Prospectus for registration in accordance with section 41 of the Securities Act 1978, withdrawn its written consent to the distribution of the Prospectus with this report included in the form and context in which it is included.

Yours sincerely

KPMG

Independent auditor's report

To the Directors of Gentrack Group Limited and Gentrack Share Sale Company Limited

As auditor of Gentrack Group Limited ("the company") and the group, comprising the company and its subsidiaries, we have prepared this report pursuant to clause 28 of Schedule 1 of the Securities Regulations 2009 for inclusion in the prospectus dated 26 May 2014.

Report on the company and group financial statements

We have audited the financial statements of the company and the group for the year ending 30 September 2013. We expressed an unmodified audit opinion on those financial statements in our report dated 5 February 2014, which is included on pages 131 to 157 of this prospectus. The financial statements do not reflect the effects of events that occurred subsequent to the date of the report on those financial statements.

Report on the summary financial statements

The summary financial statements on pages 128 to 130 are derived from the audited financial statements of Gentrack Group Limited and the consolidated financial statements of the group for the periods ended 30 September 2012 and 2013. We expressed an unmodified opinion on those financial statements in our audit reports for each of those years. The summary financial statements do not reflect the effects of events that occurred subsequent to the date of the report on those financial statements.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Gentrack Group Limited and the group.

Directors' responsibility for the summary financial statements

The directors are responsible for preparing a summary of the audited financial statements of the group for the periods ended 30 September 2012 and 2013 in accordance with clause 9 of Schedule 1 of the Securities Regulations 2009.

Auditor's responsibility for the summary financial statements

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) 810 and International Standards on Auditing 810 *Engagements to Report on Summary Financial Statements*.

Opinion on the summary financial statements

In our opinion, the amounts set out in the summary financial statements on pages 128 to 130 of this prospectus, derived from the audited financial statements of the group for the periods ended 30 September 2012 and 2013, as required by clause 9 of Schedule 1 of the Securities Regulations 2009:

- are consistent, in all material respects, with those financial statements; and
- have been correctly taken from the audited financial statements of the group for the periods ended 30 September 2012 and 2013.

Report on the prospective financial information

Directors' responsibility for the prospective financial information

The directors are responsible for the preparation and presentation of prospective financial information for the years ended 30 September 2014 and 30 September 2015, including the assumptions on which the prospective financial information is based, in accordance with the requirements of clauses 11(1)(c), 11(2) and 11(3) of Schedule 1 of the Securities Regulations 2009.

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the prospective financial information that is free from material misstatement, whether due to fraud or error. It also includes selecting the assumptions and policies upon which it is based, making judgements and estimates that are reasonable in the circumstances, and maintaining adequate records in relation to the prospective financial information.

Auditor's responsibility for the prospective financial information

Our responsibility is to examine the prospective financial information and express a reasonable assurance opinion on whether the prospective financial information, so far as the accounting policies and calculations are concerned, has been properly compiled on the footing of the assumptions made or adopted by the company and the group, as set out on pages 62 to 78 of this Prospectus, and is presented on a basis consistent with the accounting policies normally adopted by the company and the group.

Our engagement will be conducted in accordance with International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the External Reporting Board of New Zealand. That standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain reasonable assurance about whether the company's prospective financial information has been properly compiled in all material respects, on the footing of the assumptions made or adopted by the company, as set out on pages 62 to 72 and pages 77 and 78 of the Prospectus and is presented on a basis consistent with the accounting policies normally adopted by the company.

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the prospective financial information for the company, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the preparation and presentation of the prospective financial information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the company's internal control over the preparation and presentation of the prospective financial information.

Prospective financial information relates to events and actions that have not yet occurred and may not occur. It is likely that actual results will vary from those forecast. Accordingly, we are not in a position to express an opinion as to whether the results shown in the prospective financial information will be achieved.

Opinion on the prospective financial information

In our opinion, the prospective financial information, so far as the accounting policies and calculations are concerned, has been properly compiled on the footing of the assumptions made or adopted by the company and the group, as set out on pages 62 to 72 and pages 77 and 78 of this prospectus, and is presented on a basis consistent with the accounting policies normally adopted by the company and the group. We do not express any opinion as to whether the results shown in the prospective financial information will be achieved.

Other matters

Independence

Our firm has also provided other services to the company and group in relation to taxation and general accounting services. Partners and employees of our firm may also deal with the company and group on normal terms within the ordinary course of trading activities of the business of the company and group. These matters have not impaired our independence as auditors of the company and group. The firm has no other relationship with, or interest in, the company and group.

Responsibility for updating

We have no responsibility to update our opinion on the historical financial statements for events and circumstances occurring after the date of our audit report on those financial statements.

We have no responsibility to update our opinion on the prospective financial information for event and circumstances occurring after the date of this report.

Restriction on use

This report has been prepared for inclusion in the prospectus for the purpose of meeting the requirements of clause 28 of Schedule 1 of the Securities Regulations 2009. We disclaim any assumption of responsibility for reliance on this report or the amounts included in the financial statements, the summary financial statements, or the prospective financial information for any purpose other than that for which they were prepared. In addition, we take no responsibility for, nor do we report on, any part of the prospectus not specifically mentioned in this report.

Auditor's consent

In accordance with regulation 18(1)(c)(ii) of the Securities Regulations 2009, we hereby give our consent to the inclusion of this report in the prospectus in the form in which it appears. We also confirm that we have not, before delivery of this prospectus, withdrawn our consent to the issue thereof.

KPMG

26 May 2014
Auckland

SECTION 10: DETAILS OF THE OFFER

THE OFFER

The Offer is an offer of Shares in GGL, comprising both:

- new Shares to be issued by GGL; and
- existing Shares offered by the Offeror.

The Offer Shares will be offered to Retail Investors and Institutional Investors at the Price, to be determined by the Issuers following the bookbuild process described under the heading "Bookbuild process" set out below.

All Offer Shares will be issued and sold at the Price and will be fully paid ordinary shares which rank equally with each other and all existing Shares.

The Offer is made by the Issuers on the terms, and is subject to the conditions, set out in this Prospectus.

Size of the Offer

The Offer comprises an offer by the Issuers of between 40.7 and 44.3 million Offer Shares, with a value of between $88.6 million and $101.8 million, based on the Indicative Price Range. These Offer Shares comprise:

- $36.0 million worth of new Shares, which are to be issued by GGL (being between 14.4 million to 18.0 million Shares based on Indicative Price Range); and
- 26,310,972 of existing Shares, which are to be transferred by the Selling Shareholders to the Offeror (with a value of between $52.6 million and $65.8 million based on the Indicative Price Range).

Based on there being 14.4 to 18.0 million of new Shares issued, and the Offeror selling 26,310,972 Shares at the Indicative Price Range, the gross proceeds from the Offer will be $88.6 million to $101.6 million, of which Gentrack would receive gross proceeds of $36.0 million.

In the event that the Offer is not fully subscribed, the Applications received will be first applied to the offer of new Shares by GGL, and second to the offer of existing Shares by the Offeror.

Structure of the Offer

The Offer comprises:

- The Retail Offer, consisting of:
  - the Broker Firm Offer which is available only to New Zealand resident clients of NZX Firms who have received an allocation from that NZX Firm; and
  - the Employee Offer which is available to any person resident in New Zealand, Australia or the United Kingdom who Gentrack determines is a Gentrack employee or director as at the Opening Date or their nominees, up to a maximum of $2.0 million of Offer Shares.[19]
- The Institutional Offer, which consists of an invitation to bid for Offer Shares made to selected Institutional Investors in New Zealand, Australia and certain overseas jurisdictions (excluding the United States and any persons who are, or are acting for the account of or benefit of, US persons).

[19] For the purposes of NZX Listing Rule 7.1.8 this represents a maximum of 0.8 million to 1.0 million Offer Shares or 1.1% to 1.3% of the total Shares GGL will have on issue following the Offer, based on the Indicative Price Range, which have been reserved for any person resident in New Zealand, Australia and the United Kingdom who Gentrack determines is a Gentrack employee or director as at the Opening Date or their nominees.

There is no public pool under which you may subscribe for Offer Shares.

The allocation of Offer Shares between the Institutional Offer and the Retail Offer (and, within the Retail Offer, between the Broker Firm Offer and Employee Offer) will be determined by agreement between the Issuers and UBS.

Determining the Price

You will pay the Price per Offer Share, to be determined following the 'bookbuild' process discussed below. The Price is expected to be announced and posted on the Gentrack Offer website www.gentrackshareoffer.com.

The Application Form requires that you apply for a dollar value of Shares. The minimum Application amount for the Retail Offer is:

- Applicants in New Zealand and other jurisdictions other than Australia: Offer Shares comprising NZ$1000 and then multiples of Offer Shares comprising NZ$500 thereafter; and
- Applicants in Australia: Offer Shares comprising A$1000 and then multiples of Offer Shares comprising A$500 thereafter.

The Issuers reserve the right to accept Applications for less than these minimum amounts, including where the minimum is not a multiple of the Price.

Bookbuild Process

The Price will be determined using a bookbuild managed by UBS. The bookbuild will take place on 5 June 2014. The bookbuild is a process through which information is collated about the demand for the Offer Shares by selected Institutional Investors participating in the Institutional Offer, and NZX Firms participating in the Broker Firm Offer, submitting bids for the number of Offer Shares they wish to purchase or be allocated at a range of prices for the Offer Shares. That information is then used to assist with the determination of the Price and allocations of the Offer Shares.

The Issuers reserve the right to set the Price within, above or below the Indicative Price Range of $2.00 to $2.50 per Share.

Purpose of the IPO and Use of Proceeds

- To provide additional assurances to Gentrack's existing and future customers as to its status as a robust contracting counterparty.
- To enhance Gentrack's financial flexibility to pursue further growth opportunities. As part of the IPO, capital will be raised to pay off all of Gentrack's existing debt of $33.1 million and transaction costs associated with the Offer.
- To allow Selling Shareholders to sell down some of their investment in Gentrack.
- To provide a liquid market for the Shares and an opportunity to improve the breadth of its share register, including ownership by Gentrack employees.

SHAREHOLDING STRUCTURE – BEFORE AND AFTER THE OFFER

Selling Shareholders

Twenty-one Shareholders presently hold 100% of the Shares in GGL. Of those Shareholders, the 14 Selling Shareholders are selling a portion of their holding to the Offeror in connection with the Offer pursuant to a Sale and Purchase Agreement (as more fully described under the heading "Material Contracts" in Section 12 *Statutory Information* of this Prospectus). Existing Shareholders (including the Selling Shareholders) will collectively continue to hold approximately 54.4% of their current shareholding following completion of that sale. The continuing shareholding of the Existing Shareholders is expected to comprise between 41.5% and 43.5% of the total Shares on issue following the issue of new Shares under the Offer (based on the Indicative Price Range). The Offeror will sell all of the Shares acquired from the Selling Shareholders into the Offer and will not retain a Shareholding following completion of the Offer.

Indicative ownership structure

As a consequence of the above, the ownership structure of GGL prior to the Offer, and the indicative ownership structure upon completion of the Offer (following allotment of the Offer Shares) is illustrated in the table below.

	PRIOR TO THE OFFER		FOLLOWING COMPLETION OF OFFER	
SHAREHOLDER	**ORDINARY SHARES**	**%**	**ORDINARY SHARES**	**%[20]**
Jametti Limited as trustee of the Fraxinus Aurea Trust	12,263,661	21.25%	7,358,196	9.7% - 10.2%
Uplands Group Pty Limited as trustee for Uplands Group Trust	12,256,566	21.24%	7,231,374	9.6% - 10.0%
Roy Desmond Grant, Nina Catherine Maria Grant and Adrienne Alexandra Wigmore as trustees for Fiducia Trust	7,800,000	13.52%	3,120,000	4.1% - 4.3%
Nigel Peter Farley and Richard John Burrell as trustees for Nigel Farley Family Trust	6,732,372	11.67%	4,712,661	6.2% - 6.5%
Terence de Montalt Maude and Wendy Fay Wood as trustees for T & W Investment Fund	5,322,324	9.22%	3,193,395	4.2% - 4.4%
Givia Pty Limited as trustee of Yajillara Trust	3,816,000[21]	6.61%	832,728	1.1% - 1.2%
Nicholas David Jenkins	3,120,000[21]	5.41%	0	0.0%
Other Shareholders with a holding of less than 5% prior to the Offer	6,388,587[21]	11.08%	4,940,184	6.5% - 6.9%
Total	57,699,510	100%	31,388,538	41.5% - 43.5%

None of the persons named above guarantees, or undertakes any liability in respect of, the Shares.

[20] Based on the indicative price range.

[21] A portion or all of these shares are preference shares, rather than ordinary shares. Preference shares carry the same rights as ordinary shares, except that they also have certain additional rights on a liquidation or other dissolution of GGL. Preference shares will convert to ordinary shares on a 1:1 basis immediately prior to allotment of the Offer Shares under the Offer. On this basis, the shares in this column have been expressed as ordinary shares on a 1:1 basis.

RETAIL OFFER

	BROKER FIRM OFFER	EMPLOYEE OFFER
Who may apply	The Broker Firm Offer is open to persons who have received an allocation from their broker and who have a registered address in New Zealand. If you have been offered an allocation by an NZX Firm, you will be treated as a Broker Firm Offer Applicant in respect of that allocation. You should contact your broker to determine whether they may allocate Offer Shares to you under the Broker Firm Offer.	The Employee Offer is open to any person resident in New Zealand, Australia and the United Kingdom who Gentrack determines is a Gentrack director or employee (or their nominees) as at the Opening Date. For example, an eligible director or employee can apply through a company or a family trust. All Applications made under the Employee Offer will be reviewed by Gentrack prior to the Share Registrar accepting such Applications. Up to $2.0 million of Offer Shares have been reserved for the Employee Offer.
How to apply	Complete the white Broker Firm Offer Application Form at the back of the Investment Statement. By making an Application, you declare that you were given a copy of the Investment Statement, together with an Application Form. Please contact your broker if you require further instructions.	Complete the blue Employee Offer Application Form provided to you by Gentrack. By making an Application, you declare that you were given a copy of the Investment Statement, together with an Application Form.
Minimum and maximum Application amount	Amounts will be determined by your broker. However, the minimum Application amount is $1000. Your broker will inform you of your firm allocation.	The minimum Application amount will be $1000. There is no maximum amount that can be applied for by each Gentrack director or employee applying under the Employee Offer, although up to $2.0 million of Offer Shares in total have been reserved for the Employee Offer.
How to pay	Broker Firm Offer Applicants should make payments in accordance with the directions of the NZX Firm from whom you received an allocation.	Application Monies should be paid by cheque drawn on a New Zealand bank. Cheques should be crossed “Not Transferable” and made out to “Gentrack Share Offer”. Alternatively, you may pay by direct debit by including your direct debit details on your Application Form.
Address for return of Application Forms and Application Monies	Broker Firm Offer Applicants should send their completed Application Form and Application Monies to their broker in time to enable forwarding to the Share Registrar by 5.00pm on the Closing Date.	The details of who Employee Offer Application Forms should be returned to will be notified to eligible directors and employees separately.
Closing Date for receipt of Applications	The Broker Firm Offer opens at 9.00am on 9 June 2014 and is expected to close at 5.00pm on 20 June 2014. The Issuers may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer may be closed at any earlier date and time, without further notice. Your broker may also impose an earlier closing date.	The Employee Offer opens at 9.00am on 9 June 2014 and is expected to close at 5.00pm on 20 June 2014. The Issuers may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer may be closed at any earlier date and time, without further notice. Applicants are encouraged to submit their Applications as early as possible in order to enable processing by the Employee Offer Closing Date.
How to obtain a copy of this Prospectus and the Investment Statement	Please contact your broker for instructions. You may also obtain a copy of this Prospectus and the Investment Statement as follows: • you can download a copy at www.gentrackshareoffer.com; or • request a copy from the Share Registrar, Link Market Services +64 9 375 5998. While you may obtain a copy of these documents as set out above, your Application will not be accepted under the Broker Firm Offer if it is not lodged through your broker.	To obtain a copy of this Prospectus and the Investment Statement: • you can download a copy at www.gentrackshareoffer.com; • request a copy from the Share Registrar, Link Market Services +64 9 375 5998; or • request a copy from Gentrack.

FURTHER TERMS OF THE RETAIL OFFER

Availability of Funds

You should ensure that sufficient funds are held in the relevant account(s) to cover the amount of the cheque(s), bank draft(s) or direct debit payment(s). If the amount of your cheque(s), bank draft(s) or direct debit payment(s) for Application Monies (or the amount for which those cheque(s), bank draft(s) or direct debit payment(s) clear in time for allocation) is less than the dollar amount of Shares applied for, you may be taken to have applied for such lesser number of Offer Shares for which your cleared Application Monies will pay (and to have specified that amount on your Application Form) or your Application may be rejected.

Allocation under the Broker Firm Offer

The allocation of Offer Shares under the Broker Firm Offer to NZX Firms or other financial intermediaries approved by UBS which have bid in the bookbuild, in each case for the purpose of making firm allocations to their New Zealand resident retail clients, will be decided by the Issuers, having consulted with UBS. That decision will be influenced by a number of factors, which may include:

- the price for Offer Shares bid by particular bidders;
- the number of Offer Shares bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- the overall level of demand, including across the Employee Offer and the Institutional Offer;
- an assessment of whether the clients of a particular bidder will be long term Shareholders; and
- any other factors that the Issuers consider appropriate.

Offer Shares which have been allocated to NZX Firms for allocation to their New Zealand resident retail clients will be issued to the Applicants nominated by those NZX Firms or financial intermediaries. It will be a matter for the NZX Firm or financial intermediary to determine how they allocate firm stock among their retail clients, and they (and not the Issuers or UBS) will be responsible for ensuring that retail clients who have been allocated Offer Shares receive the relevant Offer Shares. If the Offer is over-subscribed, your Application for Shares in the Broker Firm Offer may be scaled. The NZX Firm will determine whether your Allocations will be scaled back. This means that the number of Shares you receive may be lower than the number of Shares for which you apply.

Allocation under the Employee Offer

The allocation of Offer Shares to Applicants under the Employee Offer will be decided by the Issuers, having consulted with UBS. It is the Issuers' intention that Applicants under the Employee Offer would be allocated the full amount of any Offer Shares applied for, subject to a maximum of $2.0 million of Offer Shares across all Applicants under the Employee Offer or their nominee. However, in the event the value of Applications received under the Employee Offer is greater than the maximum of $2.0 million of Offer Shares, the Issuers have the ability to scale back allocations to Applicants in the Employee Offer following the close of the Offer. Any such scaling will be done on a pro-rata basis.

Acceptance of Applications

An Application in the Retail Offer is an offer by the Applicant to the Issuers to subscribe for all or any of the number of the Offer Shares specified in the Application Form, at the Price and on the terms and conditions set out in this Prospectus and the Investment Statement (including the Application Form). To the extent permitted by law, the offer by an Applicant is irrevocable.

INSTITUTIONAL OFFER

The Issuers, through UBS, will invite selected Institutional Investors in New Zealand, Australia and in any other selected jurisdiction where lawfully permitted (excluding the United States and any persons who are, or are acting for the account or benefit of, US persons), along with NZX Firms and financial intermediaries approved by UBS, to bid for the Offer Shares in the bookbuild process to be undertaken by UBS on 5 June 2014.

UBS will separately advise Institutional Investors of the bidding and settlement procedures for the bookbuild.

The number of Offer Shares to be offered under the Institutional Offer, and the allocation of Offer Shares among Applicants in the Institutional Offer, will be determined by agreement between the Issuers and UBS. The Issuers and UBS will have absolute discretion regarding the basis of allocation of Offer Shares among Institutional Investors.

The allocation policy will be influenced by a number of factors, which may include:

- the price for Offer Shares bid by particular bidders;
- the number of Offer Shares bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- Gentrack's desire for an informed and active trading market following listing on the NZX Main Board and ASX;
- Gentrack's desire to establish a wide spread of institutional Shareholders;
- the overall level of demand, including across the Broker Firm Offer and the Employee Offer;
- the size and type of funds under management of particular bidders;
- an assessment of whether particular bidders will be long term Shareholders; and
- any other factors that the Issuers consider appropriate.

ABOUT THE SHARES

Each Share confers an equal right to share in dividends and other distributions authorised by the Board of GGL, and to cast a vote at meetings of Shareholders, in accordance with the Constitution.

Once the Shares are trading, further information about Gentrack will be able to be obtained at www.nzx.com.

What Returns will I Get?

Your returns on Shares may be:

- dividends paid and other distributions which may be made in respect of your Shares; and
- any gains you make if you sell or dispose of your Shares for a net price that is greater than the price you paid for them (although the market price of your Shares may also decline, making them worth less than you paid for them).

No amount of returns is promised in respect of the Shares. The key factors that will determine your returns (if any) are the market price for Shares and the Board's decision in relation to dividends or other distributions. If you sell your Shares, you may be required to pay brokerage or other sale expenses. Tax will also affect your returns from the Shares. You should seek your own tax advice in relation to your Shares.

GGL is legally liable to pay you any dividends or other distributions declared on your Shares.

If you sell any of your Shares, the purchaser of those Shares will be legally liable to pay you the sale price.

You may cash in your investment by selling your Shares. Any sale of Shares must be made in accordance with the requirements of the Constitution, the NZX Listing Rules, the ASX Listing Rules and any other applicable laws.

Dividend Policy

Dividends and other distributions with respect to the Shares are only made at the discretion of the Board of GGL. The payment of dividends is not guaranteed and GGL's dividend policy may change. The Board's decisions in relation to the level of reserves and retentions may affect any dividends or distribution you receive from the Shares.

In determining dividends payable to Shareholders, GGL will comply with the solvency test specified in the Companies Act. GGL intends to pay dividends at between 70-80% of NPATA (defined as net profit after tax adjusted for the amortisation of acquisition related intangibles), subject to Gentrack's outlook and its capital and liquidity requirements. For details about GGL's forecast dividend payments during the Prospective Period, please refer to Section 9.4 *Prospective Financial Information* under the heading "Dividends" of this Prospectus.

Under ordinary business circumstances, the dividend to be declared is determined by reference to Gentrack's:

- working capital requirements;
- medium term research and development expenditure programme;
- investment in new business opportunities; and
- risk profile, taking into account the sustainable financial structure for the business and considering predictions of short and medium term economic and market conditions.

Gentrack intends to pay dividends semi-annually, typically in June and December of each year.

Can My Investment be Altered?

The full terms of the Offer, including the amounts payable on Application, are set out in this section.

Those terms may be altered by the Issuers by lodging an amendment to this Prospectus with the Registrar of Financial Service Providers. However, those terms cannot be altered without an Applicant's consent after an Application has been accepted and Offer Shares allotted to the Applicant.

As at the date of this Prospectus, the Price has not yet been set. The Price will be set by the Issuers. Once set, the Price cannot be altered. Further information about how the Price will be determined is set out in this section under the heading "Determining the Price".

GGL may only amend its Constitution (which sets out the rights attached to Shares) with approval by a special resolution of Shareholders. GGL cannot take any action that affects the rights of any interest group of Shareholders without approval by a special resolution of that affected interest group.

A special resolution must be approved by at least 75% of the votes of those Shareholders entitled to vote and who actually vote on that resolution. Under certain circumstances, if your rights are affected by an action approved by a special resolution, you may require GGL to purchase your Shares.

Who do I contact with Inquiries about my investment?

Inquiries about the Shares may be made to the Share Registrar. The contact details of the Share Registrar are set out in the Directory on the inside back cover.

Is there anyone to whom I can complain if I have problems with the investment?

Complaints about the investment may be made to the Share Registrar at the address set out in the Directory on the inside back cover.

There is no ombudsman or approved dispute resolution scheme to whom complaints can be made about this investment.

OFFER MANAGEMENT AGREEMENT

The Issuers and UBS have entered into an Offer Management Agreement which sets out the obligations of UBS in relation to the operation of the bookbuild process.

Under the Offer Management Agreement, UBS commits to conduct the bookbuild process in the manner described in this Prospectus and to assist with the settlement of the Offer.

UBS has agreed to provide settlement support in respect of the bookbuild. If an entity allocated Offer Shares in the bookbuild fails to settle on those Offer Shares (whether directly or by submitting valid applications from New Zealand resident retail investors together with the Application Monies in cleared funds in satisfaction of its commitment, as applicable), UBS is required to lodge or procure applications for the shortfall on the Allotment Date. The Offer is not underwritten other than in respect of such settlement support.

The Offer Management Agreement also contains an indemnity (given by GGL), and sets out a number of warranties and undertakings (given by GGL and the Offeror), to UBS. In particular, GGL undertakes not to make any allotments of the Offer Shares or other equity securities for a period of 180 days following completion of the Offer, other than pursuant to the Offer, certain limited exceptions or with UBS's consent.

UBS's obligations under the Offer Management Agreement are subject to certain conditions, including conditions which require the completion of certain Offer due diligence processes and conditions which effectively require no material adverse event, termination event or breach of a warranty given by Gentrack to occur before the Allotment Date.

See "Material Contracts" in Section 12 *Statutory Information* of this Prospectus for further information about the Offer Management Agreement.

NZX MAIN BOARD LISTING

GGL has applied to NZX for permission to list GGL and to quote the Shares on the NZX Main Board and all the requirements of NZX relating to the application that can be complied with on or before the date of this Prospectus have been duly complied with. However, NZX accepts no responsibility for any statement in this Prospectus. The NZX Main Board is a registered market operated by NZX, which is a registered exchange, regulated under the Securities Markets Act. Initial quotation of the Shares on the NZX Main Board is expected to occur under the stockcode "**GTK**".

ASX – APPLICATION FOR LISTING

An application will be made to ASX after the Investment Statement and this Prospectus have been lodged with ASIC for GGL to be admitted to the official list of the ASX and for quotation of the Shares on the ASX. It is anticipated that the ASX stockcode for GGL's Shares will be "**GTK**".

Neither ASIC nor the ASX takes any responsibility for the content of this Prospectus or for the merits of the investment to which this Prospectus relates. The fact that ASX may admit GGL to the official list and quote the Shares on the ASX is not to be taken as an indication of the merits, or as an endorsement by ASX, of Gentrack or the Shares. The ASX is not a registered market under the Securities Markets Act.

QUOTATION AND TRADING

Initial quotation of the Shares on the NZX Main Board and the ASX is expected to occur on or about 25 June 2014. If you wish to sell your Shares on the NZX Main Board after confirming your allocation, you must contact an NZX Firm. To be eligible to trade Shares on the NZX Main Board you must have an account with an NZX Firm, a CSN and an Authorisation Code (**FIN**). If you do not have an account with a broker you should be aware that opening an account can take a number of days depending on the NZX Firm's new client procedures. If you do not have a CSN, you will be assigned one when you set up an account with an NZX Firm. If you have a broker and have not received a FIN by the date on which you want to trade your Shares, your broker can arrange to obtain your FIN from the Share Registrar.

FAILURE TO ACHIEVE LISTING

In the event that admission to list the Shares on the NZX Main Board is denied or the Offer does not proceed for any other reason, all Application amounts will be refunded in full without interest no later than five Business Days after the announcement of the decision not to proceed. Failure to achieve admission to list on the ASX will not, of itself, prevent the Offer from proceeding.

CONFIRMATION OF ALLOCATION

You should not attempt to sell your Shares until you know whether any, and how many, Shares have been allocated to you. None of Gentrack, the Offeror, UBS, the Share Registrar or any of their respective directors, officers or employees accepts any liability or responsibility should any person attempt to sell or otherwise deal with Shares before the statements confirming allotments of Shares are received by you or the successful bidders under the Institutional Offer (as applicable).

CHESS

Gentrack will apply to participate in ASX's Clearing House Electronic Subregister System (**CHESS**), in accordance with the ASX Settlement Operating Rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in a paperless form. When the Shares become CHESS Approved Securities, holdings will be registered in one of two subregisters, an electronic CHESS subregister or a Gentrack-sponsored subregister. The Shares of a Shareholder who is a participant in CHESS or a person sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on a Gentrack-sponsored subregister. Following the allotment of Offer Shares, any Shareholder who has elected to have their Shares registered in CHESS will be sent an initial statement of holding that sets out the number of Shares that have been allocated. This statement will provide details of the Shareholder's Holder Identification Number (**HIN**) or, where applicable, the Shareholder Reference Number (**SRN**) for Gentrack-sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding in Gentrack.

EMBARGO ARRANGEMENTS

Jametti Limited as trustee of the Fraxinus Aurea Trust, Uplands Group Pty Limited as trustee of the Uplands Group Trust, Roy Desmond Grant, Nina Catherine Maria Grant and Adrienne Alexandra Wigmore as trustees of the Fiducia Trust, Nigel Peter Farley and Richard John Burrell as trustees for the Nigel Farley Family Trust, Terence de Montalt Maude and Wendy Fay Wood as trustees for the T & W Investment Fund, JCVC Pty Limited, as trustee for the JCVC Super Fund, Warren Family Business Pty Limited as trustee for the Warren Family Business Superannuation Fund and Leigh Warren (together, the **Embargoed Shareholders**) have entered into an Embargo Deed with Gentrack dated 23 May 2014. The Shares held by Embargoed Shareholders will represent, in aggregate, between 37.2% and 39.1% of Shares on issue following the Offer (based on the Indicative Price Range).

Under the terms of the Embargo Deed the Embargoed Shareholders have agreed not to sell or otherwise dispose of their existing Shares which are not sold as part of the Offer until Gentrack's preliminary announcement of its results for the financial year ending 30 September 2015 has been released.

These restrictions do not apply, and therefore no approval is needed, for an Embargoed Shareholder to grant a security interest in favour of a lender to that holder if the lender has agreed to be bound by the terms of the Embargo Deed.

In addition, the Embargoed Shareholders may accept any full or partial takeover offer made in respect of Gentrack Shares under the Takeovers Code or similar scheme or arrangement.

Under the terms of the Embargo Deed, a restriction is placed on the sale, disposal, or encumbering of, or certain other dealings in respect of, the securities concerned for the period of the embargo, subject to any exceptions in the deed.

Although he does not hold any Shares at the date of this Prospectus, Gentrack's Chief Financial Officer David Ingram intends to apply for Shares under the Employee Offer and has signed an equivalent Deed of Embargo to the one described above in respect of any Shares allocated to him under the Offer.

BROKERAGE

You are not required to pay any brokerage or commission for Offer Shares under the Offer. See Section 12 *Statutory Information* of this Prospectus under the heading "Preliminary and Issue Expenses" for details of the brokerage payable by Gentrack to brokers.

DISCRETION REGARDING THE OFFER

The Issuers may withdraw the Offer, or any part of it, at any time before the allotment of Shares to successful Applicants or bidders in the applicable part of the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) within five business days of the Directors of GGL and the directors of the Offeror having made that decision. Refunds will be paid in the manner you elect any future dividend payments to be paid. No interest will be paid on unsuccessful Applications.

The Issuers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Offer Shares than applied or bid for.

SELLING RESTRICTIONS

The Retail Offer is being made to members of the public in New Zealand and eligible directors and employees in New Zealand, Australia and the United Kingdom. The Institutional Offer is being made to Institutional Investors in New Zealand, Australia and in any other selected jurisdiction where lawfully permitted (excluding the United States and any persons who are, or are acting for the account or benefit of, US persons). No person may offer, sell, or deliver any Shares or distribute any documents (including this Prospectus) to any person outside New Zealand or Australia except in accordance with all of the legal requirements of the relevant jurisdiction.

Unless otherwise agreed with Gentrack, any person or entity applying for Offer Shares under the Offer will be deemed to represent that he, she or it is not in a jurisdiction that does not permit the making of the Offer or an invitation of the kind contained in this Prospectus and is not acting for the account or benefit of a person within such a jurisdiction. Neither Gentrack, the Offeror, UBS nor any of their respective directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.

The Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any state of the United States and may not be offered or sold in the United States except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act 1933 and any other applicable securities laws.

Each Applicant in the Broker Firm Offer and the Employee Offer will be taken to have represented, warranted and agreed as follows:

- It understands that the Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any state of the United States and may not be offered, sold or resold in the United States, except in a transaction exempt from, or not subject to, registration under the US Securities Act 1933 and any other applicable securities laws
- It is not in the United States and is not acting for the account or benefit of a person in the United States
- It has not and will not send the Prospectus, the Investment Statement or any other material relating to the Offer to any person in the United States
- It will not offer or sell the Shares in the United States or in any other jurisdiction outside New Zealand and Australia except in transactions exempt from, or not subject to, registration under the

US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold

Each successful bidder under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

United Kingdom

The content of this Prospectus has not been approved by an authorised person within the meaning of the Prospectus Directive (Directive 2003/71/EC*)*.

Neither this document nor any of the information contained in it shall constitute an offer, solicitation, invitation or inducement to purchase, acquire, subscribe to, provide or sell any shares of GGL or any interest in any shares of GGL, nor does the document constitute or form part of any invitation, solicitation or inducement to engage in investment activity under section 21 of the Financial Services and Markets Act 2000 (as amended), nor does it constitute a recommendation regarding shares of GGL, nor shall it or any part of it form the basis of or be relied on in connection with any contract or investment decision.

If you are considering engaging in any investment activity, you should seek appropriate independent financial advice and make your own assessment. It is emphasised that this document is being sent to you in reliance upon your acknowledgement and acceptance that this document is being solely issued to and directed at persons who are reasonably believed to be of a kind described in Article 19 (Persons having professional experience in matters relating to investment) or Article 49 (High net worth companies, unincorporated associations, etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended), and persons who are otherwise permitted by law to receive it (all such persons together being referred to as **Relevant Persons**). This document must not be acted upon by persons who are not Relevant Persons. Any recipient of this document who is not a Relevant Person should return it to GGL immediately and take no other action.

This document is not a Prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) and/or Part 6 of the Financial Services and Markets Act 2000.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other materials in connection with the offer or sale, solicitation or invitation for subscription or purchase, of shares to be issued from time to time by GGL may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**); (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and, in each case, in accordance with the conditions, specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

In Singapore, this document is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed or distributed to any other person. By accepting this document in Singapore, you (i) represent and warrant that you are either an institutional investor as defined under Section 4A(1)(c) of the SFA, a relevant person as defined under Section 275(2) of the SFA or persons to whom an offer is being made, as referred to in Section 275(1A) of the SFA; and (ii) agree to be bound by the disclaimers, limitations and restrictions described herein.

Where shares are subscribed or purchased, they are subject to restrictions on transferability and resale and may not be transferred or resold in Singapore except as permitted under the SFA.

This document and such other materials are made available to the recipients thereof in Singapore solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the shares are sold or with whom they are placed or for any other purpose. Recipients of this document in Singapore shall not reissue, circulate or distribute this document or any part thereof in any manner whatsoever.

Hong Kong

This Prospectus is only distributed in Hong Kong to professional investors as defined in the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong and any rules made under that ordinance. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

TAKEOVERS CODE

The Takeovers Code prohibits, amongst other things, any person (together with its “associates” (as defined in the Takeovers Code)) from becoming the holder or controller of 20% or more of the voting rights in GGL other than in compliance with the requirements of the Takeovers Code. Investors are advised to seek legal advice in relation to any act, omission or circumstance which may result in that investor breaching any provision of the Takeovers Code. Gentrack will not be a code company prior to the Offer but will be a code company after completion of the Offer.

SECTION 11: TAXATION SUMMARY

NEW ZEALAND TAXATION IMPLICATIONS

In this section, 'you' refers to the person who acquires the Shares.

Tax will affect your return from the Shares.

The following comments are of a general nature. They are based on the law at the date of this Prospectus and do not deal with your specific circumstances.

You should seek your own tax advice in relation to your Shares.

Are You Tax Resident in New Zealand?

Your tax residence status will affect how New Zealand taxes apply to your return on the Shares.

If you are a natural person and you:

- have a permanent place of abode in New Zealand; and/or
- have been present in New Zealand for more than 183 days in a 12-month period, and not subsequently absent from New Zealand for more than 325 days in a 12-month period,

you will be a New Zealand tax resident.

A company is tax resident in New Zealand if it is incorporated in New Zealand, if it has its head office or centre of management in New Zealand or if its directors exercise control of the company in New Zealand.

Generally, Shares held by a trust will be treated as held by a New Zealand tax resident if a New Zealand tax resident has contributed to the trust.

If you are a New Zealand tax resident and are also tax resident in another country, the following summary applying to New Zealand tax residents may not apply to you, and you should seek your own tax advice.

Gentrack will assume you are a New Zealand tax resident unless you notify Gentrack otherwise.

New Zealand Tax Implications for New Zealand Tax Resident Shareholders

The following is a summary of the New Zealand tax implications of investing in the Shares if you are tax resident in New Zealand.

Distributions you receive from GGL

Distributions you receive from GGL will generally be taxable dividends for New Zealand tax purposes. Some distributions you receive from GGL may not be taxable dividends (for example, non-taxable bonus issues and certain returns of capital).

New Zealand operates an imputation regime under which income tax paid by Gentrack gives rise to credits, known as imputation credits, which may be attached to dividends it pays. Imputation credits attached to dividends may be used by New Zealand tax-resident shareholders to offset their tax liability in respect of the dividends. The maximum ratio at which GGL can attach imputation credits to dividends is 28:72 (that is, $28 of imputation credits to $72 of cash dividend).

GGL will generally be required to deduct resident withholding tax (**RWT**) from dividends it pays to you. Currently, the rate of RWT on dividends is 33%, less the amount of imputation credits attached to the dividend. Accordingly, where imputation credits are attached to dividends at the maximum permitted ratio (that is, the dividends are fully imputed). RWT equal to 5% of the gross dividend (that is, cash plus imputation credits) will be deducted. Where dividends are partially imputed, the amount of RWT deducted will be greater than 5% of the gross dividend. You will be entitled to a credit against your income tax liability for the amount of RWT deducted. GGL will not deduct RWT from dividends you receive if you hold a current RWT exemption certificate and have provided a copy of that certificate to GGL before the dividend is paid to you.

Example of a Fully Imputed Taxable Dividend

The following is an illustrative example of a fully imputed cash dividend of $72 paid to a New Zealand tax-resident shareholder that does not have an RWT exemption certificate:

Plus	Cash dividend Imputation credits attached Gross dividend	$72 $28 $100	A fully imputed cash dividend of $72 will have $28 of imputation credits attached, giving a gross dividend of $100. The gross dividend is taxable income to the recipient.
Less	RWT at 33% Imputation credits attached RWT deducted	$33 ($28) $5	The RWT deducted by Gentrack will be 33% of the gross dividend less the amount of imputation credits attached.
Less	Cash dividend RWT deducted Net cash dividend received	$72 ($5) $67	After RWT is deducted, the recipient will receive a net cash dividend of $67. The recipient will be entitled to a credit against their personal income tax liability for the imputation credits attached to the dividend and the RWT deducted. Therefore, a recipient on a 33% marginal tax rate will not have any further tax to pay in respect of the dividend. A recipient on a marginal tax rate lower than 33% may be able to use excess tax credits to satisfy a tax liability on other income or obtain a refund of tax.

Filing an income tax return

If you are not otherwise required to file an income tax return, receiving dividends from GGL will not change that generally. If you are on a tax rate of less than 33% you may be able to reduce your other tax liabilities, or receive a refund of some or all of the RWT deducted from dividends paid to you, by filing a tax return.

If you file a tax return, you must include in your taxable income not only the cash dividend you receive, but also the imputation credits attached to, and RWT deducted from, your GGL dividend. The total amount included in your taxable income is referred to as the gross dividend. You will be able to use attached imputation credits and a credit for RWT deducted to satisfy (or partially satisfy) your tax liability on the gross dividend. If the attached imputation credits and RWT deducted exceed the amount of tax on the gross dividend, your tax liability on other income you earn may be reduced as a result of receiving the GGL dividend.

Tax on sale or disposal of Shares

Although New Zealand does not have a general capital gains tax, there are instances where you will be subject to New Zealand tax on gains you make on the sale or disposal of your Shares or be allowed a deduction for any loss you make. You must consider your individual circumstances to determine whether any gain on the sale or disposal of your Shares will be taxable (or loss deductible).

Generally, you will be subject to tax on any gain (or allowed to deduct any loss) arising from the sale or disposal of your Shares if you:

- are in the business of dealing in shares;
- acquire your Shares as part of a profit-making undertaking or scheme; or
- acquire your Shares with the dominant purpose of selling them.

Your taxable gain (or tax-deductible loss) will be the difference between the cost of your Shares and the amount received for their sale or disposal. If you have a taxable gain, you will likely be required to include that gain in a tax return for the tax year in which the sale occurs. You will need to pay any tax owing in respect of that gain at your marginal tax rate.

New Zealand Tax Implications for Non-Resident Shareholders

The following is a summary of the New Zealand tax implications of investing in the Shares if you are not tax resident in New Zealand and hold less than 10% of the voting interests in GGL.

Distributions you receive on your Shares

GGL will deduct non-resident withholding tax (**NRWT**) from taxable dividends paid to you. Most distributions by GGL will be taxable dividends, but non-taxable bonus issues and certain returns of capital will not be taxable dividends. A 15% rate of NRWT will apply:

- to the extent the dividend is fully imputed; or
- if you are resident in a country with which New Zealand has a double taxation agreement that provides for such a rate,

otherwise a 30% rate of NRWT will apply.

If GGL pays a fully imputed dividend, then it may pay you an additional supplementary dividend which effectively offsets the NRWT on the dividend. If GGL pays a partially imputed dividend, the amount of supplementary dividend will be reduced on a pro rata basis so that it will effectively offset the NRWT on part of the dividend only.

Sale or disposal of Shares

Although New Zealand does not have a general capital gains tax, there are instances where you will be subject to New Zealand tax on gains you make on the sale or disposal of your Shares (or allowed a deduction for any loss you make). You must consider your individual circumstances to determine whether any gain on the sale or disposal of your Shares will be taxable (or loss deductible).

Generally, you will be subject to tax on any gain (or be allowed to deduct any loss) arising from the sale or disposal of your Shares where you:

- are in the business of dealing in shares;
- acquire your Shares as part of a profit-making undertaking or scheme; or
- acquire your Shares with the dominant purpose of selling them.

Your taxable gain (or tax-deductible loss) will be the difference between the cost of your Shares and the amount received for their sale or disposal.

If you are a resident of a country which has a double taxation agreement with New Zealand, subject to the particular provisions of the relevant double taxation agreement, any New Zealand tax liability on any income you derive from the sale of shares in New Zealand companies generally may be relieved under the terms of the relevant double taxation agreement unless you have a permanent establishment in New Zealand through which the shares are held.

If you derive a taxable gain on the sale or disposal of your Shares and the New Zealand tax liability is not relieved under a double taxation agreement you will be required to include that gain in a New Zealand tax return for the tax year in which the sale occurred and pay tax on the gain in New Zealand at your applicable rate.

No Stamp Duty or GST

New Zealand does not have stamp duty. New Zealand GST should not apply to your investment in the Shares.

TRANS-TASMAN IMPUTATION CREDIT REGIME

Australia also operates an imputation regime under which income tax paid by Gentrack in Australia gives rise to credits, known as franking credits. Franking credits attached to dividends may be used by Australian tax-resident shareholders to offset their tax liability in respect of the dividends.

GGL is part of a trans-Tasman imputation group, and importantly, has elected to maintain an Australian franking account. This means it can attach both New Zealand imputation and Australian franking credits to dividends it pays. The imputation and franking credits must be attached proportionately to all shareholders regardless of where they are resident.

As a result, Australian resident investors may be able to claim a franking tax offset for the Australian franking credits to offset their tax liability in respect of any dividends received.

New Zealand residents cannot claim Australian Franking credits in their New Zealand income tax returns. Similarly, New Zealand imputation credits received by Australian tax residents cannot be used to offset their Australian tax liability.

The level of franking credits attached to dividends will depend on the amount of Australian income tax paid by Gentrack.

SECTION 12: STATUTORY INFORMATION

The information in this section is included in accordance with the requirements of the First Schedule to the Securities Regulations.

Main Terms of Offer

The Issuers of the Offer Shares for the purposes of the Securities Act are both Gentrack Group Limited and Gentrack Share Sale Company Limited. Their registered offices are set out in the Directory. For the purposes of the Securities Regulations, the Offeror is only an Issuer for the purposes of regulations 30 to 34 which relate to advertisements. This is why this Prospectus:

- substantively contains information in relation to Gentrack, and not the Offeror; and
- refers to Gentrack Share Sale Company Limited as the Offeror.

This Offer is not an investment in the Offeror.

The securities being offered are fully paid ordinary shares in GGL. A summary of the Shares being offered is set out under the heading "About the Shares" in Section 10 *Details of the Offer* of this Prospectus.

There is no maximum number of Offer Shares being offered under the Offer. However, indicatively, the maximum number of Offer Shares is 44.3 million, based on the Offeror selling all of the existing Shares and GGL raising $36.0 million at a Price of $2.00 (being the bottom of the Indicative Price Range).

The Offer Shares will be issued and sold at the Price. An Indicative Price Range of $2.00 to $2.50 per Offer Share has been set by the Issuers, however the Issuers may set the Price within, above or below this range. Information about how the Price will be determined is set out under the heading "Determining the Price" in Section 10 *Details of the Offer* of this Prospectus.

The Price is expected to be announced and posted on the Gentrack Offer website www.gentrackshareoffer.com on or about 5 June 2014.

Each Share gives the holder a right to:

- attend and vote at a meeting of Shareholders, including the right to cast one vote per Share on a poll on any resolution, such as a resolution to:
  - appoint or remove a director;
  - adopt, revoke or alter the Constitution;
  - approve a major transaction (as that term is defined in the Companies Act);
  - approve the amalgamation of GGL under section 221 of the Companies Act; or
  - place GGL in liquidation;
- receive an equal share in any distribution, including dividends, if any, authorised by the Board and declared and paid by GGL in respect of that Share;
- receive an equal share with other Shareholders in the distribution of surplus assets in any liquidation of the GGL;
- be sent certain information, including notices of meeting and company reports sent to Shareholders generally; and
- exercise the other rights conferred upon a Shareholder by the Companies Act and the Constitution.

A Shareholder's ability to exercise these rights is subject to restrictions contained in the Constitution, the NZX Listing Rules and the ASX Listing Rules.

Name and Address of Offeror

The Offeror of the portion of the Offer Shares that are “previously allotted securities” for the purposes of the Securities Act is Gentrack Share Sale Company Limited. Its registered office is set out in the Directory.

The net consideration that has been received by GGL in respect of the original allotment of the total preference shares and ordinary Shares of Gentrack comprises both cash and non-cash consideration being: (i) AUD$5,425,000 in respect of the allotment of 4,340,000 preference shares; and (ii) 100% of the shares in Talgentra Pacific Group Pty Limited in respect of the allotment of 14,893,169 ordinary shares.

Details of Incorporation of Issuer

GGL was incorporated in New Zealand on 4 April 2012 under the Companies Act 1993. GGL’s registration number is 3768390.

GGL was registered as a foreign company under the Corporations Act on 23 April 2014. GGL’s ARBN is 169 195 751.

The public register relating to GGL is available for inspection on the Companies Office website at www.business.govt.nz/companies/

Principal Subsidiaries of Issuer

As at the date of this Prospectus, the principal subsidiaries of GGL, each of which are directly or indirectly 100% owned by GGL are:

New Zealand

- Talgentra NZ Holdings Limited
- Gentrack Limited

Australia

- Gentrack Group Australia Pty Limited
- Talgentra Pacific Group Pty Limited
- Gentrack Pty Ltd

United Kingdom

- Gentrack UK Limited

Names, addresses, and other information

The Directors of GGL and their principal residence at the date of this Prospectus are John Clifford (Melbourne, Australia), James Docking (Auckland), Leigh Warren (Melbourne, Australia), Andy Coupe (Auckland) and Graham Shaw (Wellington).

The Directors can be contacted via GGL at GGL’s registered office as set out in the Directory.

James Docking is the only Director of GGL who is also an employee of Gentrack. James Docking is Gentrack’s Chief Executive Officer.

Neither GGL, nor any Director of GGL has been adjudged bankrupt or insolvent, convicted of a crime involving dishonesty, prohibited from acting as a director of a company, or placed in statutory management, voluntary administration, liquidation or receivership.

Share Registrar

GGL's share registrar is Link Market Services. The contact address of the Share Registrar is set out in the Directory.

Auditor

The auditor of Gentrack is KPMG. The contact address of the Auditor is set out in the Directory.

Advisers

The names and addresses of each of the financial advisers to GGL, the solicitors and other professional advisers who have been involved in the preparation of this Prospectus are set out in the Directory.

Experts

KPMG, Chartered Accountants has given and not withdrawn its consent, before the delivery of this Prospectus for registration under section 41 of the Securities Act, to the distribution of this Prospectus with the inclusion of the Investigating Accountants' Report in this Prospectus in the form and context in which it is included. The registered address of KPMG is set out in the Directory.

To the best of KPMG's knowledge, neither KPMG nor any director, officer or employee of it, is or is intended to be, a director, officer or employee of the Issuers. However, KPMG has provided, and may in the future provide, professional advisory services to Gentrack.

Restrictions on Directors' Powers

Gentrack's Shareholders have approved a new Constitution, which will be adopted immediately prior to the allotment of the Shares under the Offer. The new Constitution incorporates by reference the NZX Listing Rules and the ASX Listing Rules. The principal restrictions on the powers of the Board imposed by that Constitution (including the requirements of the NZX Listing Rules and the ASX Listing Rules incorporated into the Constitution) are as follows:

- GGL may not issue or acquire any equity securities except in accordance with the provisions of the Companies Act, Constitution and the NZX Listing Rules and the ASX Listing Rules;
- GGL may not give financial assistance for the purpose of, or in connection with, the acquisition of equity securities issued or to be issued by GGL, except in accordance with the provisions of the Companies Act, Constitution, the NZX Listing Rules and the ASX Listing Rules;
- the Board may not cause GGL to enter into any transaction or series of linked or related transactions to acquire, sell, lease, exchange or otherwise dispose of (otherwise than by way of charge) assets of Gentrack which would change the essential nature of the business of Gentrack or in respect of which the gross value is in excess of 50% of the average market capitalisation of GGL, without the prior approval of an ordinary resolution of Shareholders in accordance with the Constitution, the NZX Listing Rules and the ASX Listing Rules; and
- the Board may not allow GGL to enter into certain material transactions if a related party of GGL is, or is likely to become, a direct or indirect party to the material transaction without the prior approval of an ordinary resolution of Shareholders in accordance with the Constitution, the NZX Listing Rules and the ASX Listing Rules.

In addition, a Director may not vote on any matter in which he or she is interested, unless permitted by the Companies Act if he or she has complied with the relevant provisions and signed a certificate in respect of the matter.

The Companies Act contains a number of other provisions that could have the effect, in certain circumstances, of imposing restrictions on the powers of the Board. For example, Directors cannot allow GGL to:

- enter into a major transaction (as that term is defined in the Companies Act) without the prior approval of a special resolution of Shareholders; and
- take any action which affects the rights attaching to the Shares without the prior approval of a special resolution of each interest group (being a group of Shareholders with similar or identical rights).

These provisions apply to any company registered under the Companies Act.

Substantial Equity Security Holders of Issuer

The following table sets out the names of the ten largest registered holders of equity securities as at the date of this Prospectus.

#	Shareholder	Number of ordinary shares (%)
1.	Jametti Limited as trustee of the Fraxinus Aurea Trust	12,263,661 shares (21.25%)
2.	Uplands Group Pty Limited as trustee of the Uplands Group Trust	12,256,566 shares (21.24%)
3.	Roy Desmond Grant, Nina Catherine Maria Grant and Adrienne Alexandra Wigmore as trustees of the Fiducia Trust	7,800,000 shares (13.52%)
4.	Nigel Peter Farley and Richard John Burrell as trustees of the Nigel Farley Family Trust	6,732,372 shares (11.67%)
5.	Terence de Montalt Maude and Wendy Fay Wood as trustees of the T & W Investment Trust	5,322,324 shares (9.22%)
6.	Givia Pty Limited as trustee of the Yajillara Trust	3,816,000 shares (6.61%)[22]
7.	Nicholas David Jenkins	3,120,000 shares (5.41%)[22]
8.	JCVC Pty Limited as trustee of the JCVC Super Fund	1,920,000 shares (3.33%)[22]
9.	Warren Family Business Pty Limited as trustee of the Warren Family Business Superannuation Fund	852,000 shares (1.48%)[22]
10.	Binalong Rural Pty Limited as trustee of the Binalong Rural Trust	600,000 shares (1.04%)[22]

None of the persons named above guarantees, or undertakes any liability in respect of, the Shares.

[22] A portion or all of these Shares are preference shares, rather than ordinary shares. Preference shares carry the same rights as ordinary shares, except that they also have certain additional rights on a liquidation or other dissolution of GGL. Preference shares will convert to ordinary shares on a 1:1 basis immediately prior to allotment of the Shares under the Offer. On this basis, the shares in this column have been expressed as ordinary shares on a 1:1 basis.

As required by Listing Rule 7.1.15, on 1 May 2014, GGL required all registered holders of 5% or more of the voting securities of GGL to disclose any relevant interest and the nature of that relevant interest held by them and the consideration and other terms and conditions of any transaction under which they acquired their shares. The following table sets out the relevant disclosures by registered holders of 5% or more of the voting securities.

Relevant Interest Holder	Number of ordinary shares	Nature of Relevant Interest	Consideration & Other Terms
Jametti Limited and its directors James and Annette Docking	12,263,661	Legal and registered title held as trustees of the Fraxinus Aurea Trust in 12,263,661 ordinary shares	4,087,887 ordinary shares issued as consideration for the sale of 488,071 shares in Talgentra Pacific Group Pty Limited and subsequently subdivided on a three-for-one basis
Uplands Group Pty Limited, JCVC Pty Limited and John Clifford	14,176,566[23]	Legal and registered title held as trustee of the Uplands Group Trust in 12,256,566 ordinary shares	4,085,522 ordinary shares issued as consideration for the sale of 488,353 shares in Talgentra Pacific Group Pty Limited and subsequently subdivided on a three-for-one basis
		Legal and registered title held as director and shareholder of JCVC Pty Limited in 1,920,000 preference shares	A$800,000
Roy Desmond Grant, Nina Catherine Maria Grant and Adrienne Alexandra Wigmore	7,800,000	Legal and registered title as trustees of the Fiducia Trust in 7,800,000 ordinary shares	2,600,000 ordinary shares issued as consideration for the sale of 326,078 shares in Talgentra Pacific Group Pty Limited and subsequently subdivided on a three-for-one basis
Nigel Peter Farley	6,732,372	Legal and registered title held as trustees of the Nigel Farley Family Trust in 6,732,372 ordinary shares	2,244,124 ordinary shares issued as consideration for the sale of 268,091 shares in Talgentra Pacific Group Pty Limited and subsequently subdivided on a three-for-one basis
Terence de Montalt Maude and Wendy Fay Wood	5,322,324	Legal and registered title held as trustees of the T & W Investment Trust in 5,322,324 ordinary shares	1,774,108 ordinary shares issued as consideration for the sale of 211,941 shares in Talgentra Pacific Group Pty Limited and subsequently subdivided on a three-for-one basis
Givia Pty Limited	3,816,000[23]	Legal and registered title held as trustee of the Yajillara Trust in 3,816,000 preference shares	A$1,590,000
Nicholas David Jenkins	3,120,000[23]	Legal and registered title in 3,120,000 preference shares	A$1,300,000

None of the persons named above guarantees, or undertakes any liability in respect of, the Shares.

23 A portion or all of these shares are preference shares in Gentrack, rather than ordinary shares. Preference shares carry the same rights as ordinary shares, except that they also have certain additional rights on a liquidation or other dissolution of GGL. Preference shares will convert to ordinary shares on a 1:1 basis immediately prior to allotment of the Shares under the Offer. On this basis, the shares in this column have been expressed as ordinary shares on a 1:1 basis.

Description of Activities of Issuing Group

GGL was incorporated on 4 April 2012 and acts as the holding company of the Gentrack group. The principal activity of Gentrack is providing software solutions and services to customers in the electricity, gas and water utility sectors, and to airport owners and operators globally. Gentrack commenced business in 1989, with the incorporation of Gentrack Limited. Further information in respect of the business activities of Gentrack is contained in Section 6 *Business Description* of this Prospectus.

The principal assets of Gentrack are intellectual property associated with its software products, goodwill arising as a result of its customer relationships and the value of its brand. These assets are owned by Gentrack.

Some of these assets are subject to obligations in favour of other persons that modify or restrict Gentrack's ability to deal with those assets. Those obligations include restrictions on how those assets may be dealt with, as noted below under the heading "Restrictions on Issuing Group".

Summary of Financial Statements

Financial statements, in summary form, for Gentrack in respect of the financial years ending 30 September 2012 and 30 September 2013 are set out in Appendix 1 *Summary Historical Financial Statements* of this Prospectus.

Prospects and Forecasts

A statement as to the trading prospects of Gentrack, together with any relevant material information that may be relevant to those prospects, is set out under heading "Prospective Financial Information" in Section 9 *Financial Information* of this Prospectus. Supporting information material to these prospects and forecast is set out in the general assumptions and specific assumptions in that section.

Any special trade factors and risks which could materially affect the prospects of Gentrack and which are not likely to be known or anticipated by the general public are set out in Section 8 *What are my Risks?* of this Prospectus.

It is not the purpose of the Offer to provide finance for any particular capital project.

Provisions Relating to Initial Flotations and Minimum Subscriptions

The plans of the Directors in respect of Gentrack during the 12 month period commencing on the date of this Prospectus are to focus on three key areas that it has identified from which it will seek to continue its track record of growth, being:

- industry development and reform generating new opportunities;
- growth from existing customers; and
- expansion into new geographies and markets, including through acquisition.

These plans are further described in Section 6 *Business Description* of this Prospectus under the heading "Growth Strategies".

The source of finance required for these plans will be operating cash flows, working capital and borrowings and any other financial accommodation considered prudent and appropriate by Gentrack during that year.

Notwithstanding the plans of the Directors, the proceeds of the Offer received by GGL may be applied towards any other purpose.

A prospective consolidated statement of financial position, a prospective statement of comprehensive income, a prospective statement of changes in equity, and a prospective statement of cash flows of the issuing group for the 12 month periods ending 30 September 2014 and 30 September 2015 are set out under the heading “Prospective Financial Information” in Section 9 *Financial Information* of this Prospectus.

There is no minimum amount that, in the opinion of the Directors, must be raised by the issue of Shares under the Offer for the purpose of section 37(2) of the Securities Act.

Acquisition of Business or Subsidiary

Not applicable.

Securities Paid up Otherwise than in Cash

As set out above under the heading “Name and Address of Offeror”, GGL issued 14,893,169 fully paid ordinary shares as non-cash consideration for the purchase of 100% of the shares in Talgentra Pacific Group Pty Limited. GGL has not otherwise, since its incorporation, allotted to any person any securities that were paid up otherwise than in cash.

Options to Subscribe for Securities of the Issuing Group

Not applicable.

Appointment and Removal of Directors

GGL is or will be a party to a listing agreement with NZX (a registered exchange) and the method by which Directors of GGL may be appointed to, or be removed from, or otherwise vacate, office is the same as that set out in the NZX Listing Rules. No person other than the Shareholders of GGL in a general meeting, or the Directors acting as a Board to fill a casual vacancy, has the right to appoint any Director.

Each Director has the power to appoint any person as an alternate Director, provided that person has not been disqualified under the Companies Act from holding the position of a director of a company, and provided that person is approved by a majority of the other Directors.

Interested Persons

For the purposes of the information set out under this heading, “specified person” means:

(a) a Director or proposed director of GGL or an associated person of them; and

(b) the Offeror, the existing Shareholders and an associated person of any of them.

Under the Constitution every Director shall be indemnified by GGL for any costs referred to in section 162(3) of the Companies Act and any liability or costs referred to in section 162(4) of the Companies Act, with the amounts and terms and conditions to be determined by the Board in accordance with those sections without other limitations. In addition, under the Constitution, GGL may indemnify and insure a Director to the maximum extent permitted by the Companies Act and Constitution, with the amounts and terms and conditions of such indemnities and insurance to be determined by the Board.

Subject to the Companies Act, the Constitution, the NZX Listing Rules, the Board may, without limit, authorise special remuneration to any Director who is or has been engaged by Gentrack to carry out any work or perform any services that is not in the capacity of a director of GGL or a subsidiary and in such amounts as the Board may determine.

Each Director is entitled, without limit, to be paid for all reasonable travelling, accommodation and other expenses incurred by the Director in connection with the Director's attendance at meetings or otherwise in connection with Gentrack’s business.

James Docking is Gentrack’s Chief Executive Officer and receives remuneration for services performed in that role. The remuneration he receives from Gentrack for these services is limited to such amount as may be agreed by Gentrack.

In addition, the following existing Shareholders are employed by Gentrack and receive remuneration for services performed in their respective roles:

- Robert Shelwell (Group Operations Manager)
- Terry Maude (Chief Technology Officer)
- Nigel Farley (General Manager, Airport 20/20)
- Glenn Sutherland (Global Sales Manager)
- Adam Pargeter (Executive Manager Australia)
- Joanne McNish (Business Services Manager)
- Allan Sampson (Operations Manager)
- Nigel Dickens (Development Manager)
- Vincent Commarieu (Infrastructure Manager)

The remuneration each of the above Selling Shareholders receives from Gentrack for their services is limited to such amount as may be agreed by Gentrack.

Set out below are details of any material shareholdings in GGL that specified persons have, or have had, at any time during the five years preceding the date of this Prospectus:

Directors

- John Clifford - 14,176,566 Shares[24]
- James Docking - 12,263,661 Shares
- Leigh Warren - 1,156,587 Shares[24]

Security holder at the time of Offer

- Jametti Limited as trustee of the Fraxinus Aurea Trust - 12,263,661 Shares
- Uplands Group Pty Limited as trustee of Uplands Group Trust - 12,256,566 Shares
- JCVC Pty Limited as trustee of JCVC Super Fund - 1,920,000 Shares[24]
- Leigh Warren - 304,587 Shares
- Warren Family Business Pty Limited as trustee of the Warren Family Business Superannuation Fund - 852,000 Shares[24]
- Roy Desmond Grant, Nina Catherine Maria Grant and Adrienne Alexandra Wigmore as trustees of the Fiducia Trust - 7,800,000 Shares
- Nigel Peter Farley and Richard John Burrell as trustees for Nigel Farley Family Trust - 6,732,372 Shares
- Terence de Montalt Maude and Wendy Fay Wood as trustees for T & W Investment Fund - 5,322,324 Shares

[24] A portion or all of these shares are preference shares, rather than ordinary shares. Preference shares carry the same rights as ordinary shares, except that they also have certain additional rights on a liquidation or other dissolution of GGL. Preference shares will convert to ordinary shares on a 1:1 basis immediately prior to allotment of the Shares under the Offer. On this basis, the shares in this column have been expressed as ordinary shares on a 1:1 basis.

- Givia Pty Limited as trustee of Yajillara Trust - 3,816,000 Shares[24]
- Nicholas David Jenkins - 3,120,000 Shares[24]
- Binalong Rural Pty Limited as trustee of the Bingalong Rural Trust - 600,000 Shares[24]

Material Contracts

Gentrack has entered into the following material contracts in the previous two years:

Embargo Deeds

GGL and the Embargoed Shareholders have entered into an Embargo Deed dated 23 May 2014, under which the Embargoed Shareholders have agreed to continue to hold all of their existing Shares which they do not sell as part of the Offer until Gentrack's preliminary announcement of its results for the financial year ending 30 September 2015 has been released. In addition, GGL and David Ingram have entered into a similar Embargo Deed in respect of any Shares he may be allotted pursuant to the Offer. Further details in respect of this are set out under the heading "Embargo Arrangements" in Section 10 *Details of the Offer* of this Prospectus.

Sale and Purchase Agreement for Shares in GGL

GGL, the Offeror and Selling Shareholders have entered into an agreement for sale and purchase of shares in GGL dated 23 May 2014, under which the Offeror agrees to purchase certain Shares from the Selling Shareholders. The purchase will take place on or about the Allotment Date, at the Price, and is being undertaken for the purpose of offering these Shares under the Offer.

Offer Management Agreement

The Issuers and UBS have entered into an Offer Management Agreement which sets out the obligations of UBS in relation to the operation of the bookbuild process.

Under the Offer Management Agreement, UBS commits to conduct the bookbuild process in the manner described in this Prospectus and to assist with the settlement of the Offer.

UBS has agreed to provide settlement support in respect of the bookbuild. If an entity allocated Offer Shares in the bookbuild fails to settle on those Offer Shares (whether directly or by submitting valid applications from New Zealand resident retail investors together with the Application Monies in cleared funds in satisfaction of its commitment, as applicable), UBS is required to lodge or procure applications for the shortfall on the Allotment Date. The Offer is not underwritten other than in respect of such settlement support.

The Offer Management Agreement also contains an indemnity (given by Gentrack), and sets out a number of warranties and undertakings (given by Gentrack and the Offeror), to UBS. In particular, Gentrack undertakes not to make any allotments of the Offer Shares or other equity securities for a period of 180 days following completion of the Offer, other than pursuant to the Offer, certain limited exceptions or with UBS's consent.

UBS's obligations under the Offer Management Agreement are subject to certain conditions, including conditions which require the completion of certain Offer due diligence processes and conditions which effectively require no material adverse event, termination event or breach of a warranty given by Gentrack to occur before the Allotment Date.

Pending Proceedings

There are no legal proceedings or arbitrations pending as at the date of registration of this Prospectus that may have a material adverse effect on Gentrack.

Preliminary and Issue Expenses

Issue expenses (including any discretionary fee to UBS, brokerage and commission fees, share registry expenses, legal fees, audit and accounting fees, advertising costs, printing costs and postage and courier costs relating to this Offer) are estimated to amount to an aggregate of $4.7 million. This assumes that the Offer is fully subscribed at the top of the Indicative Price Range.

Gentrack has entered into an engagement agreement with UBS under which UBS is entitled to receive:

- An arranger fee of $750,000; and
- A management fee of 2.5% of the aggregate proceeds of all Shares sold under the Offer.

NZX Firms will be paid a brokerage fee of 1.5% of the gross proceeds in respect of Shares allotted pursuant to valid Applications for a firm allocation in the Broker Firm Offer. This brokerage fee will be payable by the UBS out of proceeds of the management fee.

In addition, the Group will, at its sole discretion, pay an incentive fee to the UBS of up to 0.6% of the aggregate proceeds of all Shares sold under the Offer.

No preliminary expenses have been incurred by Gentrack.

Restrictions on Issuing Group

There are no restrictions on the ability of Gentrack to make a distribution or to borrow, being restrictions which result from any undertaking given, or any contract or debt entered into, by Gentrack. Nonetheless, under the facility agreement with ANZ National Bank Limited and Australia and New Zealand Banking Group Limited, Gentrack has agreed to a number of covenants which relate to, amongst other things, restrictions on asset sales and other dispositions, restrictions on changes in the nature of its business or operations, related party dealing restrictions, restrictions on amalgamations and other general business covenants, including the following financial covenants:

- that the ratio of EBITDA to total net interest expense shall at all times be greater than 3.00 times;
- that the ratio of consolidated borrowings to EBITDA shall not exceed 2.50 times; and
- that the ratio of the cash available for distribution to shareholders to the aggregate of debt servicing costs will at all times be no less than 1.20 times.

However, Gentrack intends to repay the banking facility to which these restrictions relate using the proceeds of the Offer. As a result, Gentrack expects that these restrictions will be removed shortly after the Allotment Date.

Other Terms of Offer and Securities

All of the terms of the Offer and all of the terms of the Offer Shares are set out in this Prospectus, other than any terms implied by law or any terms set out in a document that has been registered with a public official, is available for public inspection and is referred to in this Prospectus.

Financial Statements

The latest financial statements of GGL, for the financial year ended 30 September 2013 are set out in Appendix 2 *Audited Financial Statements* of this Prospectus. The financial statements comply with, and have been registered on 14 April 2014 under, the Financial Reporting Act.

Additional Financial Statements

Not applicable.

Places of Inspection of Documents

The Constitution of GGL, the financial statements of GGL and copies of the material contracts referred to above under the heading "Material Contracts" may be inspected (without charge) during the period of the Offer during normal business hours at the registered office of GGL as set out in the Directory.

Copies of those documents are also available for public inspection on the Companies Office website at http://www.business.govt.nz/companies.

Other Material Matters

Securities Act exemption

By virtue of the Securities Act (Gentrack Group Limited) Exemption Notice 2014, the Issuers have been exempted from regulations 19(1) and 21(1) of the Securities Regulations, which relate to the content of the Investment Statement.

There are no other material matters relating to the Offer, other than those set out in this Prospectus, the financial statements or in contracts entered into in the ordinary course of business of Gentrack.

Directors' Statement

The Directors of GGL, after due inquiry by them, are of the opinion that (except as noted below) none of the following have materially and adversely changed during the period between 30 September 2013 and the date of registration of this Prospectus:

- the trading or profitability of the issuing group;
- the value of the issuing group's assets; or
- the ability of the issuing group to pay its liabilities due within the next 12 months.

Since 30 September 2013, GGL has paid a cash dividend to its Shareholders totalling $6,154,614.40 which constituted a material and adverse change in the value of Gentrack. This was paid to Shareholders on 12 March 2014.

Auditor's Report

The Auditor's report required by clause 28 of Schedule 1 to the Securities Regulations is set out in Section 9.5 *Statutory Auditor's Report* of this Prospectus.

Signatures required by the Securities Act

A copy of this Prospectus has been signed by the directors of both GGL and the Offeror.

Directors of Gentrack Group Limited:

John Patrick Clifford

James Edward Docking

Leigh Warren

Graham John Shaw

Richard Andrew Coupe

Directors of Gentrack Share Sale Company Limited:

John Patrick Clifford

James Edward Docking

Leigh Warren

Graham John Shaw

Richard Andrew Coupe

SECTION 13: INFORMATION FOR AUSTRALIAN INVESTORS

This section contains information for eligible Australian employees of Gentrack and Australian Institutional Investors (as defined below). You should read all of this Prospectus and the Investment Statement before deciding whether or not to purchase Shares in Gentrack.

Employee Offer and Australian Institutional Offer

The Offer is being made in Australia only to eligible employees or directors of Gentrack as at the Opening Date who are resident in Australia (**Australian Employees**) and to selected investors who are sophisticated or professional investors as respectively referred to in sections 708(8) and 708(11) of the Corporations Act 2001 (Cth) (**Corporations Act**) (**Australian Institutional Investors**).

No general public offer is being made in Australia. Australian residents who are not either Australian Employees or Australian Institutional Investors will not be eligible to apply for Shares.

The Institutional Offer in Australia consists of an invitation to Australian Institutional Investors to bid for Shares. For further details see Section 10 *Details of the Offer* of this Prospectus. For further details on the Employee Offer in Australia, see Section 10 *Details of the Offer* of this Prospectus.

The Employee Offer and the Institutional Offer in Australia is being made under this Prospectus and the Investment Statement and by relying on the trans-Tasman mutual recognition scheme under Chapter 8 of the Corporations Act and the Corporations Regulations 2001 (Cth) (**Corporations Regulations**).

This section contains disclosure relevant to Australian Employees and Australian Institutional Investors and to comply with requirements for a recognised offer under Chapter 8 of the Corporations Act and the Corporations Regulations.

This Prospectus and the Investment Statement have been prepared to comply with New Zealand regulatory requirements, which differ in some respects from Australian regulatory requirements for an offer of shares. This Prospectus and the Investment Statement are not, and do not purport to be, a prospectus or document containing disclosure to investors for the purposes of, and do not contain all information that would be required for a prospectus or disclosure document, under Part 6D.2 or Part 7.9 of the Corporations Act.

Important Information for Australian Investors

The following statements are required to be included in this Prospectus by Chapter 8 of the Corporations Act and Corporations Regulations.

This Offer to Australian investors is a recognised offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Cth) and the Corporations Regulations 2001 (Cth). In New Zealand, this is Part 5 of the Securities Act 1978 (New Zealand) and the Securities (Mutual Recognition of Securities Offerings - Australia) Regulations 2008 (New Zealand).

The Offer and the content of this Prospectus and the Investment Statement are principally governed by New Zealand, rather than Australian, law. In the main, the New Zealand Securities Act 1978 and the Securities Regulations 2009 (New Zealand) set out how the Offer must be made.

There are differences in how securities and financial products are regulated under New Zealand, as opposed to Australian, law. For example, the disclosure of fees for managed investment schemes is different under New Zealand law.

The rights, remedies and compensation arrangements available to Australian investors in New Zealand securities and financial products may differ from the rights, remedies and compensation arrangements for Australian securities and financial products.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact ASIC. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of New Zealand securities and financial products is not the same as that for Australian securities and products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial advisor.

The Offer may involve a currency exchange risk. The currency for the security or financial product is in dollars that are not Australian dollars. The value of the security or financial product will go up and down according to changes in the exchange rate between those dollars and Australian dollars. These changes may be significant.

If you receive any payments in relation to the security or financial product that are not in Australian dollars, you may incur significant fees in having the funds credited to a bank account in Australia in Australian dollars.

If the security or financial product is able to be traded on a financial market and you wish to trade the security or financial product through that market, you will have to make arrangements for a participant in that market to sell the security or financial product on your behalf. If the financial market is a foreign market that is not licensed in Australia (such as a securities market operated by NZX) the way in which the market operates, the regulation of participants in that market and the information available to you about the security or financial product and trading may differ from Australian licensed markets.

Australian Securities and Investments Commission

A copy of this Prospectus and the Investment Statement was lodged with ASIC on 26 May 2014. ASIC accepts no responsibility for the contents of this Prospectus or the Investment Statement or the merits of the investment to which this Prospectus and the Investment Statement relate.

Stock Exchange Listings

Application has been made to NZX for permission to list Gentrack and to quote the Shares on the NZX Main Board. An application will also be made to ASX after the Investment Statement and this Prospectus have been lodged with ASIC for GGL to be admitted to the official list of the ASX and for quotation of the Shares on the ASX. In accordance with ASX Listing Rule 1.3.3, the Directors consider that GGL has enough working capital to carry out its stated objectives.

ASX takes no responsibility for the contents of this Prospectus or the Investment Statement or for the merits of the investment to which this Prospectus and the Investment Statement relate. Admission to the official list of ASX and quotation of the Shares on ASX are not guaranteed and are not to be taken as an indication of the merits, or as an endorsement by ASX, of Gentrack or the Shares. Failure to achieve admission to list on ASX will not, of itself, prevent the sale of Shares under the Offer from proceeding.

For further details regarding the applications for listing on the NZX and ASX see Section 10 *Details of the Offer* of this Prospectus.

Continuous Disclosure

Gentrack will need to comply with the continuous disclosure rules of both the NZX Listing Rules and the ASX Listing Rules (including as modified by waivers, rulings or exemptions applicable to Gentrack or the Shares). All information provided to NZX and ASX in accordance with the NZX Listing Rules and the ASX Listing Rules will be available on the NZX and ASX websites. For more information in relation to Gentrack's continuous disclosure process see Section 7 *Board, Senior Management Team and Governance* of this Prospectus.

Risks

You should refer to the information set out in Section 8 *What are my Risks?* of this Prospectus.

This is not investment advice. You should seek your own financial advice.

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account the investment objectives, financial circumstances or particular needs of any investor.

Investors should read the whole of this Prospectus and consider all of the risk factors that could affect the performance of Gentrack and other information concerning the Shares in light of their own particular investment objectives, financial circumstances and particular needs (including financial and taxation issues) before deciding whether to invest in Gentrack.

Trading in and Selling Shares on ASX

See Section 10 *Details of the Offer* of this Prospectus for further information regarding trading in, and selling, Shares on ASX and CHESS.

Differences between Australian GAAP and NZ GAAP

The financial information provided in respect of Gentrack in Section 9 *Financial Information* of this Prospectus has generally been prepared applying IFRS.

All ongoing financial information prepared by Gentrack and provided directly to Shareholders or to NZX or ASX will be prepared in accordance with the requirements of NZ GAAP applicable at that time.

Gentrack has adopted certain accounting policies in connection with the preparation of prospective financial information in this Prospectus. Those policies are expected to be used in future reporting periods and are described under heading "Prospective Financial Information" in Section 9 *Financial Information* of this Prospectus. To the extent that Australian generally accepted accounting principles (**Australian GAAP**) would require different accounting policies, those differences would not be material to Gentrack or its financial results.

There may be some presentation, disclosure and classification differences between financial information prepared in accordance with NZ GAAP and financial information prepared in accordance with Australian GAAP. For example, financial information prepared in accordance with Australian GAAP might contain details of director remuneration or additional oil and gas accounting disclosures which would not be required under NZ GAAP. None of these differences in presentation, disclosure or classification would be expected to change the material financial results reported under NZ GAAP.

Applicable Law

Gentrack is a New Zealand company

GGL is a company incorporated in New Zealand and is principally governed by New Zealand law, rather than Australian law. In Australia, it is registered with ASIC as a foreign company. Its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the Companies Act and the New Zealand Financial Markets Authority and Registrar of Companies.

Set out below is a table summarising key features of the laws that apply to GGL as a New Zealand company (under New Zealand law, including as modified by exemptions or waivers) compared with the laws that apply to Australian publicly listed companies generally. It is important to note that this summary does not purport to be a complete review of all matters of New Zealand law applicable to GGL or all matters of Australian law applicable to Australian publicly listed companies or to highlight all provisions that may differ from the equivalent provisions in Australia.

	New Zealand	Australia
Transactions that require shareholder approval	Under the Companies Act, the principal transactions or actions requiring shareholder approval include: • adopting or altering the constitution of the company; • appointing or removing a director; • major transactions (being transactions involving the acquisition or disposition of assets, the acquisition of rights or interests or the incurring of obligations or liabilities, the value of which is more than half the value of the company's total assets); • amalgamations (other than between the company and its wholly-owned subsidiaries); • putting the company into liquidation; and • changes to the rights attached to shares. In addition to the Companies Act requirements listed above, shareholder approval is required under the NZX Listing Rules for: • director remuneration; • certain transactions with related parties; certain issues of shares; and • in certain circumstances, the provision of financial assistance for the purpose of, or in connection with, the acquisition of shares.	Under the Corporations Act, the principal transactions or actions requiring shareholder approval are comparable to those under the Companies Act. Shareholder approval is also required for certain transactions affecting share capital (e.g., share buybacks and share capital reductions). There is no concept directly comparable to "amalgamations" under Australian corporate law. Although there is no shareholder approval requirement for major transactions, certain related party transactions require shareholder approval. Shareholder approval is required under the ASX Listing Rules for: • increases in the total amount of directors' fees; • directors' termination benefits in certain circumstances; • certain transactions with related parties; • certain issues of shares; and • if a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking. The rules will apply to GGL when it is admitted to the official list of ASX.
Shareholders' right to request or requisition a general meeting	A special meeting of shareholders must be called by the board on the written request of shareholders holding shares carrying together not less than 5% of the voting rights entitled to be exercised on the issue.	The Corporations Act contains a comparable right. Directors must also call a general meeting on the request of at least 100 shareholders who are entitled to vote at a general meeting. Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.
Shareholders' right to appoint proxies to attend and vote at meetings on their behalf	A shareholder may exercise the right to vote at a meeting either by being present in person or by proxy. A proxy is entitled to attend and be heard, and to vote, at a meeting of shareholders as if the proxy were the shareholder. A proxy must be appointed by notice in writing signed by or, in the case of an electronic notice, sent by the shareholder to the company. The notice of appointment must state whether the appointment is for a particular meeting or a specified term.	The position is comparable under the Corporations Act.
Changes in the rights attaching to shares	A company must not take action that affects the rights attached to shares unless that action has been approved by a special resolution of each affected interest group. (An "Interest group" in relation to an action or proposal affecting the rights attached to shares means a	The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to a class of shares. If a company does not have a constitution, or has a constitution that does not set out a

	New Zealand	Australia
	group of shareholders whose affected rights are identical and whose rights are affected by the action or proposal in the same way and who comprise the holders of one or more classes of shares in the company).	procedure, the rights may only be varied or cancelled by: • a special resolution of the class of shares being varied; or • a written consent of members with at least 75% of the votes in the class of shares being varied.
Shareholder protections against oppressive conduct	A shareholder or former shareholder of a company (or any other entitled person) who considers that the affairs of a company have been (or are being, or are likely to be) conducted in a manner that is (or any act or acts of the company have been, or are, or are likely to be) oppressive, unfairly discriminatory, or unfairly prejudicial to him or her in any capacity may apply to the court for relief. The court may, if it thinks it is just and equitable to do so, make such orders as it thinks fit.	Under the Corporations Act, shareholders have statutory remedies for oppressive or unfair conduct of the company's affairs. The court can make any order as it sees appropriate.
Shareholders' rights to bring or intervene in legal proceedings on behalf of the company	A court may, on the application of a shareholder or director of a company, grant leave to that shareholder or director to bring proceedings in the name and on behalf of the company or any related company, or intervene in proceedings to which the company or any related company is a party, for the purpose of continuing, defending or discontinuing the proceedings on behalf of the company or related company. Leave may only be granted if the court is satisfied that either the company or related company does not intend to bring, diligently continue or defend, or discontinue the proceedings, or it is in the interests of the company or related company that the conduct of the proceedings should not be left to the directors or to the determination of the shareholders as a whole. No proceedings brought by a shareholder or a director or in which a shareholder or a director intervenes with leave of the court (as described above) may be settled or compromised or discontinued without the approval of the court.	The Corporations Act permits a shareholder to apply to the court for leave to bring proceedings on behalf of the company, or to intervene in, proceeding to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings. The court must grant the application if it is satisfied that: • it is probable that the company will not itself bring the proceedings, or properly take responsibility for them, or for the steps in them; • the applicant is acting in good faith; • it is in the best interests of the company that the applicant be granted leave; • if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and • either at least 14 days before making the application, the applicant gave written notice to the company of the intention to apply for leave and of the reasons for applying, or the court considers it appropriate to grant leave. Proceedings brought or intervened in with leave must not be discontinued, compromised or settled without the leave of the court.

	New Zealand	Australia
"2 strikes" rule in relation to remuneration reports	There is no equivalent of a "2 strikes" rule in relation to remuneration reports in New Zealand. New Zealand companies are not required to publish remuneration reports so shareholders necessarily cannot vote on them. There is, however, an obligation to state in the company's annual report, in respect of each director or former director of the company, the total of the remuneration and the value of other benefits received by that director or former director from the company during the relevant accounting period and, in respect of employees or former employees of the company who received remuneration and any other benefits in their capacity as employees during the relevant accounting period, the value of which was or exceeded NZ$100,000 per annum, the number of such employees, stated in brackets of NZ$10,000.	The Corporations Act requires that a company's annual report must include a report by the directors on the company's remuneration framework (called a "remuneration report"). A resolution must be put to shareholders at each annual general meeting of the company's shareholders (**AGM**) seeking approval for the remuneration report. That approval is advisory only, however, if more than 25% of shareholders vote against the remuneration report at 2 consecutive AGMs (i.e., 2 strikes) an ordinary (50%) resolution must be put to shareholders at the second AGM proposing that a further meeting be held within 90 days at which all of the directors who approved the second remuneration report must resign and stand for re-election.
Related party transactions and interests	GGL must comply with NZX Listing Rule requirements in respect of related party transactions, except to the extent this obligation is modified by waivers or rulings granted by NZX Regulation in respect of GGL. In particular, shareholder approval is required for significant transactions between a listed company and a "related party". The definition of related party catches a number of persons) for example, a director of a listed company, or the holder of a relevant interest in 10% or more of a class of securities of a listed company. A related party who is a party to or a beneficiary of a material transaction (and its associates) are prohibited from voting in favour of a resolution to approve that transaction. The Securities Markets Act 1988 requires a director or officer of a public issuer who has a "relevant interest" in a public issuer to give notice of this fact to NZX and to disclose any such relevant interest in the interests register of the public issuer. The Companies Act requires companies to keep an interests register, and this register is often used for the purposes of any disclosures by directors or officers of any such "relevant interests". The companies' annual report must state particulars of entries in the interests register made during the accounting period.	Under the Corporations Act, public companies must obtain shareholder approval before giving a financial benefit to a "related party" of the public company unless an exemption applies. The exemptions include: • the arrangement is on arm's length terms; • the benefit is reasonable remuneration paid to an officer or employee of the company; • the benefit is a reasonable indemnity or insurance premium given to an officer or employee of the company; • the benefit is given to a closely held subsidiary; and • the benefit is given to all shareholders and does not discriminate other shareholders unfairly. In addition, GGL will be required to comply with ASX Listing Rule requirements in respect of related party transactions. Unless an exception applies, shareholder approval is required for: • the acquisition of a substantial asset from, or disposal of a substantial asset to, among other persons, a related party or a person who, together with their associates, holds a relevant interest in at least 10% of the total votes attached to the voting securities; • issuing or agreeing to issue securities to related parties; • increasing the total of directors' payments; • certain directors' termination benefits; and • directors acquiring securities under an employee incentive scheme. The definition of related party includes, among others, entities that control the public company and directors of the public company and of the

	New Zealand	Australia
		entity that controls the public company. Under the ASX Listing Rules, GGL will also be required to disclose the notifiable interests of its directors at prescribed times and any changes to those notifiable interests.
Disclosure of substantial holdings	The Securities Markets Act 1988 requires every person who is a "substantial security holder" in a public issuer to give notice to that public issuer and NZX that they are a substantial security holder. "Substantial security holder" means, in relation to a public issuer, a person who has a relevant interest in 5% or more of a class of listed voting securities of that public issuer. The substantial security holder has ongoing disclosure requirements to notify the public issuer and NZX of certain changes in the number of voting securities in which the substantial security holder has a relevant interest or if there is any change in the nature of any relevant interest in the relevant holding or where that person ceases to be a substantial security holder.	The Corporations Act requires every person who is a substantial holder to notify the listed company and ASX that they are a substantial holder and to give prescribed information in relation to their holding if: • the person begins to have, or ceases to have, a substantial holding in the company or scheme: • the person has a substantial holding in the company or scheme and there is a movement of at least 1% in their holding; or • the person makes a takeover bid for securities of the company. A person has a substantial holding if the total votes attached to voting shares in the company in which they or their associates have relevant interests is 5% or more of the total number of votes attached to voting shares in the company, or the person has made a takeover bid for voting shares in the company and the bid period has started and not yet ended. These provisions do not apply to GGL as an entity established outside Australia. However, GGL will be required to release to ASX any substantial holder notices that are released to NZX.
How takeovers are regulated	The New Zealand position under the Takeovers Code and Securities Markets Act 1988 is comparable to the Australian position in relation to the regulation of takeovers. Substantial security holder notice requirements apply to relevant interests in 5% or more of a company's listed voting securities (as discussed above under the heading "Disclosure of substantial holdings"). A 20% threshold applies (whereby a person is prevented from increasing the percentage of voting rights held or controlled by them in excess of that threshold or from becoming the holder or controller of an increased percentage of voting rights if they already hold or control more than 20% of the voting rights), subject to certain "compliance options" (including full and partial offers. 5% creep over 12 months in the 50% to 90% range, and acquisitions with shareholder approval). Compulsory acquisitions are permitted by persons who hold or control 90% or more of voting rights in a company.	The Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if any person's voting power in the company will increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Exceptions to the prohibition apply (e.g., acquisitions with shareholder approval, 3% creep over 6 months, rights issues that satisfy prescribed conditions). Substantial holder notice requirements apply (as discussed above under the heading "Disclosure of substantial holdings"). Compulsory acquisitions are permitted by persons who hold 90% or more of securities or voting rights in a company. The Australian takeovers regime will not apply to GGL as a foreign company.

	New Zealand	Australia
Filing of documents	GGL must prepare and file the following documents with the Companies Office every year: • annual financial statements as an issuer under the Financial Reporting Act 1993 (including the statement of financial position, statement of financial performance, statement of cashflows, statement of movements in equity, statement of accounting policies, notes to the accounts and an audit report); and • an annual return required under the Companies Act. The Companies Office must also be notified of certain changes (e.g., the appointment or resignation of directors or changes to the Company's constitution).	Many of the filing obligations applicable to Australian registered companies under the Corporations Act will not apply to GGL as a registered foreign company. In particular, GGL is exempt from the requirement to lodge its annual financial statements with ASIC if this information and accompanying documents has been provided in their entirety to the New Zealand Companies Office. GGL is required to notify ASIC of certain changes (e.g., the appointment or resignation of directors or changes to the Company's constitution).

Where it is noted that New Zealand law contains comparable provisions to those existing under Australian law, and vice versa, it is emphasised that the summary table only attempts to provide general guidance, and that the detailed provisions may contain differences and may also be subject to differing interpretation by Australian and New Zealand courts.

Australian Taxation

You should seek your own taxation advice on the implications of an investment in Shares.

Privacy

If you apply for Shares, you will be asked to provide your personal information (such as your name, address and contact details) to GGL, the Share Registrar and their respective agents who will collect and hold the personal information provided by you in connection with your Application at their respective addresses shown in the Directory. If you provide GGL or the Share Registrar with the personal information of another person (such as a joint applicant or your authorised representative), then you must tell that person that their personal information has been provided to GGL or the Share Registrar and notify them of the matters contained in this privacy statement.

Personal information provided by you will be used for:

- the purposes of considering, processing and corresponding with you about your Application;
- managing and administering your holding of Shares, including sending you information concerning GGL, your Shares and other matters GGL considers may be of interest to you by virtue of your holding of Shares; and
- sending you information about GGL's products and services.

To do these things, GGL or the Share Registrar may disclose your personal information to their related companies, respective agents, contractors or third party service providers to whom they outsource services such as mailing and registry functions. GGL or the Share Registrar may also disclose your personal information to ASX, NZX or other regulatory authorities in Australia or New Zealand.

Failure to provide the required personal information may mean that your Application is not able to be processed efficiently, if at all.

If you become a Shareholder, your information may be used or disclosed from time to time to facilitate dividend payments and corporate communications and for compliance by GGL with legal and regulatory requirements in both Australia and New Zealand. As GGL's share registry is kept in New Zealand, GGL and/or the Share Registrar may hold your personal information in, or disclose your personal information to third parties located in, New Zealand.

GGL or the Share Registrar will otherwise collect, hold, use and disclose your personal information in accordance with their respective privacy policies, which sets out how you may access and correct the personal information that they hold about you and how to lodge a complaint relating to their treatment of your personal information. You can request a copy of the privacy policies of GGL or the Share Registrar by telephoning or writing to GGL or the Share Registrar (as applicable) using the details shown in the Directory.

SECTION 14: GLOSSARY

Airport operational systems	An open platform that integrates airport and third party systems to ensure airports operational staff and passengers have access to 'real-time' information regarding flights and airport resources
Allotment Date	24 June 2014, unless brought forward or extended by GGL
Applicant	An investor who makes an application for Offer Shares under the Offer
Application	An application to subscribe for Offer Shares offered under the Offer
Application Form	An application form for the Offer included in or accompanying Investment Statement
Application Monies	The amount payable on Application
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited, or the financial market operated by ASX Limited, as the context requires, also known as the Australian Securities Exchange
ASX Listing Rules	The official listing rules of the ASX
Auditor	KPMG
Best-of-Breed	Software solutions designed specifically for each application or requirement within an organisation; these solutions are typically then integrated to enable the flow of data and information across the business
Board or **Board of Directors**	The board of Directors of GGL
Broker Firm Offer	The offer of Offer Shares under this Prospectus to New Zealand resident retail clients of brokers who have received an allocation from their broker
Business Day	A day on which the NZX Main Board is open for trading
CAGR	The compound annual growth rate or CAGR is the rate at which something (e.g., revenue) grows over a period of years, taking into account the effect of annual compounding
Closing Date	20 June 2014
Companies Act	The Companies Act 1993
Constitution	The constitution of Gentrack
CRM	Customer Relationship Management. CRM products allow organisations to store, organise, synchronise, and search records relating to customer interactions. CRM Software may also include the automation of business rules and business processes, relating to all forms of customer engagement and interaction
CSN	Common Shareholder Number
Directors	The directors of GGL and the Offeror

Directory	The directory set out on the final page of this Prospectus
Embargo Deed	The embargo deed between Embargoed Shareholders and GGL dated 23 May 2014
Embargoed Shareholders	Jametti Limited as trustee of the Fraxinus Aurea Trust, Uplands Group Pty Limited as trustee of the Uplands Group Trust, Roy Desmond Grant, Nina Catherine Maria Grant and Adrienne Alexandra Wigmore as trustees of the Fiducia Trust, Nigel Peter Farley and Richard John Burrell as trustees for Nigel Farley Family Trust, Terence de Montalt Maude and Wendy Fay Wood as trustees for T & W Investment Fund, JCVC Pty Limited, as trustee for the JCVC Super Fund, Warren Family Business Pty Limited as trustee for the Warren Family Business Superannuation Fund and Leigh Warren
Employee Offer	The offer of Offer Shares under this Prospectus to persons resident in New Zealand, Australia or the United Kingdom who Gentrack determines are directors or employees of Gentrack as at the Opening Date (or their nominees)
Enterprise-Wide	Software designed to integrate many aspects of a business' operations and processes such as accounting, finance, marketing, CRM, distribution and resource planning. Also known as "Enterprise Resource Planning" or "ERP" software
Financial Reporting Act	The Financial Reporting Act 1993
FY	A financial year
FY2009PF	The Pro Forma 12 months ended 30 September 2009
FY2010PF	The Pro Forma 12 months ended 30 September 2010
FY2011PF	The Pro Forma 12 months ended 30 September 2011
FY2012PF	The Pro Forma 12 months ended 30 September 2012
FY2013PF	The Pro Forma 12 months ended 30 September 2013
FY2014PF	The Pro Forma 12 months ending 30 September 2014
Gentrack	Refers to: (a) GGL and its subsidiaries, for so long as GGL has been the ultimate parent company of Gentrack Limited; and (b) in respect of periods before that, means the group of companies comprising the ultimate parent company of the two trading subsidiaries (Gentrack Limited and Gentrack Pty Limited) and its subsidiaries, including Talgentra Pacific Group Pty Limited (once incorporated in 2007)
GGL	Gentrack Group Limited
Glossary	This glossary of key terms
Group	GGL and its present subsidiaries
Indicative Price Range	$2.00 to $2.50 per Offer Share
Institutional Investor	An investor to whom offers in respect of securities can be made without the need for a lodged prospectus (or other formality,

	other than a formality which Gentrack is willing to comply with), including in New Zealand persons to whom offers or invitations can be made without the need for a registered prospectus under the Securities Act
Institutional Offer	The invitation to Institutional Investors under this Prospectus, as described in Section 10 *Details of the Offer* of this Prospectus
Investigating Accountant	KPMG
Investment Statement	The Investment Statement relating to the Offer dated 4 June 2014
Issuers	GGL and the Offeror
Legacy system	An old and outdated software solution that is still used to perform a task in a business, even though more modern and efficient options are available
Listing Date and **Listing**	The date on which Gentrack is listed, and the Shares quoted on the NZX Main Board (or on market in substitution for that market) in force from time to time
Meter-to-Cash	The revenue cycle for a utility, covering the process from account creation, collecting and processing metering data, to billing, payments and revenue collections
Mission-critical	An essential service whose failure or disruption will cause a corresponding failure in day-to-day business operations
Net Profit	Net profit for the period after tax
NZX	NZX Limited
NZX Firm	Any company, firm, organisation or corporation designated or approved as a Primary Market Participant from time to time by NZX, see http://www.nzx.com/investing/find_a_participant for a list
NZX Listing Rules	The listing rules applying to the NZX Main Board as amended from time to time
NZX Main Board	The main board equity security market operated by NZX
Offer	The offer of Offer Shares under this Prospectus
Offer Management Agreement	The offer management agreement between the Issuers and UBS
Offeror	Gentrack Share Sale Company Limited, which was incorporated with the principal purpose of acquiring and selling existing Shares under the Offer
Offer Shares	The new Shares and existing Shares being offered under the Offer
Opening Date	9 June 2014
PFI	Prospective Financial Information
Price	The price per Share at which the Offer Shares will be issued and sold to be determined on or about 5 June 2014

Pro Forma	Means adjusted financial information that is different from Gentrack's statutory financial information, as described under the heading "Pro Forma adjustments" in section 9.2.1 *Financial information presented*
Prospective Period	The period from 1 April 2014 to 30 September 2015
Prospectus	This prospectus relating to the Offer dated 26 May 2014 (as amended by an instrument to amend dated 4 June 2014)
Retail Investors	Applicants who are not Institutional Investors
Retail Offer	Broker Firm Offer and Employee Offer
SaaS	SaaS, or "software-as-a-service", is a software licensing and delivery model in which software is licensed on a subscription basis. The software and associated data is typically hosted outside the customer's premises and accessed through the internet
Securities Act	Securities Act 1978
Securities Markets Act	Securities Markets Act 1988
Securities Regulations	Securities Regulations 2009
Selling Shareholders	The existing holders of Shares that have elected to sell some of their Shares to the Offeror pursuant to the Sale and Purchase Agreement dated 23 May 2014 (as more fully described under the heading "Material Contracts" in Section 12 *Statutory Information* of this Prospectus)
Share	A fully paid ordinary share in GGL
Shareholder	A holder of one or more Shares
Share Registrar	Link Market Services
Takeovers Code	Takeovers Code Approval Order 2000 (SR2000/210), as amended from time to time
UBS	UBS New Zealand Limited
Vendor independent	Software solutions that are not designed specifically to utilise the technologies of any single vendor can be termed "Vendor Independent"
$, NZD or NZ$	New Zealand dollars

ADDITIONAL DEFINITIONS FOR THE KEY OFFER STATISTICS AND KEY INVESTMENT METRICS

Price / NPATA ratio

Indicative market capitalisation divided by NPATA for the respective forecast financial year. This is a valuation metric that enables comparison with industry competitors and stock market peers.

EV / EBITA multiple

EV divided by EBITA for the respective forecast financial year. This is a valuation metric that enables comparison with industry competitors and stock market peers.

Implied cash dividend yield

DPS for the respective prospective financial year divided by the Indicative Price Range. Based on the cash cost to GGL, not necessarily the cash received by investors which will depend on individual investor tax rates and the assumption that the investor holds Shares over the full year.

Implied gross dividend yield

DPS for the respective prospective financial year, grossed up for imputation credits expected to be attached to the dividend (calculated at a tax rate of 28%) divided by the Indicative Price Range. This metric is used to approximate the return to the average investor on a pre-tax basis.

Implied enterprise value (EV)

The implied market capitalisation less Prospective Net Cash as at completion of the Offer.

Prospective Net Cash: The forecast value of cash and cash equivalents less current and non-current borrowings at 30 June 2014.

Implied market capitalisation

The number of Shares on issue following the Offer multiplied by the Indicative Price Range.

APPENDIX 1: GENTRACK GROUP LIMITED SUMMARY HISTORICAL FINANCIAL STATEMENTS

Introduction

The summary financial statements are those of Gentrack Group Limited (GGL) and its subsidiaries (Gentrack). These summary financial statements present trading results for the financial periods ended 30 September 2012 and 30 September 2013. The periods prior to 2012 have not been included as GGL was incorporated on 4 April 2012 for the purposes of acquiring the business in May 2012, and therefore are not required to be included in accordance with the Securities Regulations. The financial statements for FY2012 present results for the period 4 April 2012 to 30 September 2012.

Gentrack has designated itself as a profit-oriented entity for the purposes of NZ GAAP.

Basis of preparation

The summary financial statements have been prepared in accordance with New Zealand Financial Reporting Standard No. 43, subject to the Securities Regulations 2009. The summary financial statements have been extracted from the full financial statements.

The financial statements for the financial periods ended 30 September 2013 and 30 September 2012 are in compliance with NZ IFRS. These financial statements also comply with IFRS.

The summary financial statements were authorised for issue on 23 May 2014 by the board of Gentrack. The financial statements for the historical periods were authorised for issue on the following dates:

- For the year ended 30 September 2013: authorised 5 February 2014; and
- For the year ended 30 September 2012: authorised 11 February 2013.

The summary financial statements cannot be expected to provide as complete an understanding as that provided by the full financial statements because they do not include all the disclosures included in the full financial statements. The audited financial statements for the year ended 30 September 2013 are provided in *Appendix 2 "Gentrack Group Limited Audited Financial Statements".* The financial statements for the year ended 30 September 2012 are available from Gentrack.

The financial statements for the year ended 30 September 2013, including the comparatives for the year ended 30 September 2012, have been audited by KPMG. The audit opinion was unqualified.

The summary financial statements are presented in New Zealand dollars and are rounded to the nearest thousand.

TWO YEAR SUMMARY FINANCIAL STATEMENTS FOR GENTRACK GROUP LIMITED

Statement of Comprehensive Income

$000s (Year ended 30 Sept)	**FY2013**	**FY2012**
Revenue	40,126	13,191
Expenditure	(25,878)	(9,004)
Profit before depreciation, amortisation, non-operating costs, financing and tax	**14,248**	**4,187**
Depreciation and amortisation	(2,207)	(907)
Non-operating costs	(170)	(509)
Profit before financing and tax	**11,871**	**2,771**
Net finance cost	(2,550)	(972)
Profit/(loss)before income tax	9,321	1,799
Income tax (expense)/benefit	(2,685)	(484)
Profit/(loss) attributable to the shareholders of the company	**6,636**	**1,315**
Other comprehensive income		
Exchange differences on translation of foreign operations	229	239
Total comprehensive income/(loss) for the period	**6,865**	**1,554**

2012 year comparatives are for the period 4 April 2012 through to 30 September 2012

Statement of Financial Position

$000s (Year ended 30 Sept)	**FY2013**	**FY2012**
Current assets	11,339	12,406
Non-current assets	63,879	65,617
Total Assets	**75,218**	**78,023**
Current liabilities	(13,050)	(12,051)
Non-current liabilities	(28,351)	(39,020)
Total Liabilities	**(41,401)**	**(51,071)**
NET ASSETS	**33,817**	**26,952**
(Ordinary) share capital	25,398	25,398
Retained earnings	7,951	1,315
Reserves	468	239
Total shareholders' equity	**33,817**	**26,952**

Statement of Changes in Equity

$000s (Year ended 30 Sept)	Share Capital	Retained Earnings	Translation Reserve	Total Equity
Balance as at 4 April 2012	-	-	-	-
Total comprehensive income/ (loss) for the period, net of tax		**1,315**	**239**	**1,554**
Transactions with owners:				
Issue of capital	25,398	-	-	25,398
Balance at 30 September 2012	**25,398**	**1,315**	**239**	**26,952**
Balance at 1 October 2012	**25,398**	**1,315**	**239**	**26,952**
Total comprehensive income/ (loss) for the period, net of tax	**-**	**6,636**	**229**	**6,865**
Balance at 30 September 2013	**25,398**	**7,951**	**468**	**33,817**

Statement of Cash Flows

$000s (Year ended 30 Sept)	FY2013	FY2012
Net cash flows from operating activities	11,578	1,286
Net cash flows from investing activities	(460)	(35,249)
Net cash (outflow)/inflow from financing activities	(11,367)	34,355
Net increase/(decrease) in cash held	**(249)**	**392**

2012 year comparatives are for the period 4 April 2012 through to 30 September 2012

APPENDIX 2: GENTRACK GROUP LIMITED AUDITED FINANCIAL STATEMENTS

Statement of Comprehensive Income

2 For the period ended 30 September	Notes	Group 2013 $000	 2012* $000	Parent 2013 $000	 2012* $000
Revenue	4	40,126	13,191	-	-
Expenditure	5	(25,878)	(9,004)	(177)	(82)
Profit before depreciation, amortisation, non-operating costs, financing and tax		**14,248**	**4,187**	**(177)**	**(82)**
Depreciation and amortisation	6	(2,207)	(907)	-	-
Non-operating costs	7	(170)	(509)	(87)	-
Profit before financing and tax		**11,871**	**2,771**	**(264)**	**(82)**
Finance income		94	209	34,682	139
Finance expense		(2,644)	(1,181)	(1,893)	(939)
Net finance cost	8	**(2,550)**	**(972)**	**32,789**	**(800)**
Profit/(loss) before tax		**9,321**	**1,799**	**32,525**	**(882)**
Income tax (expense)/benefit	9	(2,685)	(484)	541	247
Profit/(loss) attributable to the shareholders of the company		**6,636**	**1,315**	**33,066**	**(635)**
Other comprehensive income					
Exchange differences on translation of foreign operations	13	229	239	-	-
Total comprehensive income/(loss) for the period		**6,865**	**1,554**	**33,066**	**(635)**
Earnings per share from total comprehensive income (expressed in dollars per share)					
Basic and diluted earnings per share from total comprehensive income	11	$0.35	$0.07		

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

2012 year comparatives are for the period 4 April 2012 through to 30 September 2012.

Statement of Financial Position

For the period ended 30 September	Notes	Group 2013 $000	Group 2012 $000	Parent 2013 $000	Parent 2012 $000
CURRENT ASSETS					
Cash and cash equivalents	15	143	473	-	-
Trade and other receivables	16	11,196	11,481	292	375
Amount owing from subsidiary	25	-	-	402	139
Income tax receivable		-	452	-	247
Total Current Assets		**11,339**	**12,406**	**694**	**761**
NON-CURRENT ASSETS					
Property, plant and equipment	17	700	539	-	-
Goodwill	2, 18	40,277	40,253	-	-
Intangibles	19	22,275	24,185	-	-
Loan to related parties	25	-	-	288	6,577
Deferred Tax Asset	10	627	640	-	-
Investment	20	-	-	86,000	57,236
Total Non-Current Assets		**63,879**	**65,617**	**86,288**	**63,813**
TOTAL ASSETS		**75,218**	**78,023**	**86,982**	**64,574**
CURRENT LIABILITIES					
Bank Overdraft	15	-	(81)	-	-
Trade payables and accruals	21	(1,972)	(2,215)	(217)	(425)
Amount owing to subsidiary	25	-	-	(318)	(4)
Deferred revenues		(2,944)	(3,254)	-	-
GST Payable		(351)	(344)	-	-
Employee Entitlements	22	(1,164)	(1,061)	-	-
Income Tax Payable		(1,923)	(903)	-	-
Derivative financial liabilities	24	(111)	(79)	-	(79)
Borrowings	23	(4,585)	(4,114)	(4,552)	(4,063)
Total Current Liabilities		**(13,050)**	**(12,051)**	**(5,087)**	**(4,571)**
NON-CURRENT LIABILITIES					
Employee Entitlements	22	(242)	(155)	-	-
Borrowings	23	(24,030)	(33,582)	(24,030)	(33,582)
Loan from related parties	25	-	-	(36)	(1,658)
Deferred tax liabilities	10	(4,079)	(5,283)	-	-
Total Non-Current Liabilities		**(28,351)**	**(39,020)**	**(24,066)**	**(35,240)**
TOTAL LIABILITIES		**(41,401)**	**(51,071)**	**(29,153)**	**(39,811)**
NET ASSETS		**33,817**	**26,952**	**57,829**	**24,763**
EQUITY					
Share capital	12	25,398	25,398	25,398	25,398
Retained earnings/(deficit)	14	7,951	1,315	32,431	(635)
Reserves	13	468	239	-	-
TOTAL SHAREHOLDERS' EQUITY		**33,817**	**26,952**	**57,829**	**24,763**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

Group	Notes	Share Capital $000	Retained Earnings $000	Translation Reserve $000	Total Equity $000
Balance as at 4 April 2012		-	-	-	-
Profit after tax for the period		-	1,315	-	1,315
Other comprehensive income	13	-	-	239	239
Total comprehensive Income/(loss) for the period, net of tax		**-**	**1,315**	**239**	**1,554**
Transactions with owners: Issue of capital	12	25,398	-	-	25,398
Balance at 30 September 2012		**25,398**	**1,315**	**239**	**26,952**
Balance at 1 October 2012		**25,398**	**1,315**	**239**	**26,952**
Profit after tax for the period		-	6,636	-	6,636
Other comprehensive income		-	-	229	229
Total comprehensive Income/(loss) for the period, net of tax		**-**	**6,636**	**229**	**6,865**
Balance at 30 September 2013		**25,398**	**7,951**	**468**	**33,817**

Parent	Notes	Share Capital $000	Retained Earnings $000	Total Equity $000
Balance as at 4 April 2012		**-**	**-**	**-**
Profit after tax for the period		-	(635)	(635)
Total comprehensive Income/ (loss) for the period, net of tax		-	**(635)**	**(635)**
Transactions with owners: Issue of capital	12	25,398	-	25,398
Balance at 30 September 2012		**25,398**	**(635)**	**24,763**
Balance at 1 October 2012		**25,398**	**(635)**	**24,763**
Profit after tax for the period		-	33,066	33,066
Total comprehensive Income/ (loss) for the period, net of tax		-	**33,066**	**33,066**
Balance at 30 September 2013		**25,398**	**32,431**	**57,829**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the period ended 30 September	Notes	Group 2013 $000	Group 2012* $000	Parent 2013 $000	Parent 2012* $000
Cash flows from operating activities					
Receipts from customers		40,101	12,357	-	-
Payments to suppliers and employees		(26,119)	(9,804)	(388)	(32)
Income tax paid		(2,404)	(1,266)	-	-
Net cash inflow from operating activities	**31(a)**	**11,578**	**1,286**	**(388)**	**(32)**
Cash flows from investing activities					
Property, plant and equipment		(460)	(49)	-	-
Acquisition of subsidiary, net of cash acquired	2	-	(35,200)	-	(43,539)
Net cash outflow from investing activities		**(460)**	**(35,249)**	**-**	**(43,539)**
Cash flows from financing activities					
Net interest received/(paid)	8	(2,287)	(972)	(1,972)	(935)
Transfers with subsidiaries		-	-	11,423	-
Repayment of borrowings		(9,080)	(10,621)	(9,063)	-
Proceeds from borrowings		-	39,166	-	37,724
Proceeds from issue of share capital	12	-	6,782	-	6,782
Net cash (outflow)/inflow from financing activities		**(11,367)**	**34,355**	**388**	**43,571**
Net increase/(decrease) in cash held		**(249)**	**392**	**-**	**-**
Cash at beginning of the financial period		**392**	**-**	**-**	**-**
Closing cash and cash equivalents (net of overdrafts)		**143**	**392**	**-**	**-**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

*2012 year comparatives are for the period 4 April 2012 through to 30 September 2012.

Notes to the Financial Statements

For the year ended 30 September 2013

Note 1 Summary of Significant Accounting Policies

Gentrack Group Limited is a limited liability company, domiciled and incorporated in New Zealand and registered under the New Zealand Companies Act 1993, and is a reporting entity for the purposes of the Financial Reporting Act 1993. The registered office of the Company is 25 College Hill, Auckland 1011, New Zealand.

The financial statements presented are for Gentrack Group Limited (the 'Parent'/ 'Company') and its subsidiaries (together 'the Group') for the year ended 30 September 2013. Last year comparatives are for the period 4 April 2012 through 30 September 2012.

The consolidated financial statements of the Group for the year ended 30 September 2013 were authorised for issue in accordance with a resolution of the directors on 5 February 2014.

The Group's principal activity is the development, integration, and support of enterprise billing and customer management software solutions for the energy, water and airport industries.

(a) Changes in accounting policy

The accounting policies adopted are consistent with those of the previous period.

(b) Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'). They comply with the New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards as appropriate to profit-oriented entities. The financial statements comply with International Financial Reporting Standards ('IFRS').

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

The Company and Group are profit-oriented entities for financial reporting purposes.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: foreign exchange contracts and derivative financial instruments. Non-current assets held for sale are valued at fair value less costs to sell.

Presentation currency

The financial statements are presented in New Zealand dollars unless otherwise stated and all values are rounded to the nearest $1,000 (where rounding is applicable). The functional currency is New Zealand Dollars ('NZD').

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following note: Note 2 Business combinations (Intangible assets recognised on acquisition).

(c) Basis of Consolidation

Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group. Control is the power to govern the financial and operating policies of an entity as to obtain benefits from activities.

The Group recognises the fair value of all identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured as the excess cost of the acquisition over the recognised assets and liabilities. When the excess is negative (negative goodwill), the amount is recognised immediately in the statement of comprehensive income.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(d) Revenue

Revenues are recognised at the fair value of the consideration received or receivable.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on the historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Software Licence Fee Revenue

Revenue from licence fees due to software sales is recognised on the transferring of significant risks and rewards of ownership of the licensed software under an agreement between the Company and the customer.

(ii) Implementation and Consulting Services Revenue for Licensed Software

Revenue from implementation and consulting services attributable to licensed software is recognised in proportion to the stage of completion, typically in accordance with the achievement of contract milestones and/or hours expended.

(iii) Post Sales Customer Support Revenue for Licensed Software

Post sales customer support ("PSCS") revenue for licensed software comprises fees for ongoing upgrades, minor software revisions and helpline support. PSCS revenue is allocated between annual fees for helpline support and fees for rights of access to ongoing upgrades and minor software patches. At each reporting date, the unearned portion of the revenue is assessed and deferred to be recognised over the period of service.

(iv) Project Services Revenue

Revenue from project services agreements is recognised in proportion to their stage of completion, typically in accordance with the achievement of contract milestones and/or hours expended.

(v) Income in Advance

Consideration received prior to the goods or service being rendered is recognised in the Statement of Financial Position as income in advance and is included within trade and other payables.

(vi) Accrued Income

Revenue for which goods or services have been rendered but invoices have not been issued is recognised within the Statement of Financial Position as accrued income and included within trade and other receivables.

(vii) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When a grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(e) Net Finance Cost

Finance income comprises interest income, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit and loss, foreign currency gains, and gains on hedging instruments that are recognised in profit and loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payments is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of the financial assets at fair value through profit and loss, impairment losses recognised on financial assets (except for trade receivables), losses on the disposal of available-for-sale financial assets, and losses on hedging instruments that are recognised in profit and loss. All borrowing costs are recognised in profit and loss using the effective interest method.

(f) Income Tax

In the Income Statement income tax comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related benefits will be realised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different entities where there is an intention to settle the balance on a net basis.

(g) Sales Tax

The Income Statements and the Statements of Cash Flows have been prepared so that all components are stated exclusive of sales tax, except where sales tax is not recoverable. All items in the Statements of Financial Position are stated net of sales tax with the exception of receivables and payables, which include sales tax invoiced.

Commitments and contingencies are disclosed net of the amount of sales tax recoverable from, or payable to, the taxation authority.

Sales tax includes Goods and Services Tax (GST) and Value Added Tax (VAT) where applicable.

(h) Foreign Currency Translations

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in New Zealand dollars ($) (the 'presentation currency'), which is the Company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Foreign exchange gains and losses are presented in the Income Statement within net finance costs.

The Group translates the results of its foreign operations from their functional currencies to the presentation currency of the Group using the closing exchange rate at balance date for assets and liabilities and the average monthly exchange rates for income and expenses. The difference arising from the translation of the Statements of Financial Position at the closing rates and the Income Statement at the average rates is recorded within the foreign currency translation reserve.

(i) Research and Development Costs

Research and development expenses include payroll, employee benefits and other employee-related costs associated with product development. Technological feasibility for software products is reached shortly before products are released for commercial sale to customers. Costs incurred after technological feasibility is established are not material, and accordingly, all research and development costs are expensed when incurred.

(j) Property, Plant and Equipment

In the balance sheet property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on assets is calculated using the straight-line method to allocate the difference between their original costs and their residual values over their estimated useful lives, as follows:

Office equipment, fixtures and fittings	7 years
Computer equipment	3 to 7 years
Leasehold improvements	Terms of lease

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in the Income Statement.

(k) Intangible assets

Goodwill

Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Brands

Brands are considered to have an indefinite useful life and are held at cost and are not amortised, but are subject to an annual impairment test.

Other intangible assets

Other intangible assets consist of software, acquired source code, and customer relationships. They have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Except for goodwill and brands, intangible assets are amortised on a straight-line basis in the Statement of comprehensive income over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Acquired source code	10 years
Customer relationships	10 years
Internal use software	3 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell or the asset’s value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(m) Loans and receivables

The Group classifies its financial assets as loans and receivables. Management determines the classifications of its financial assets at initial recognition. The Group’s loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Group’s loans and receivables comprise “trade and other receivables” and cash and cash equivalents in the Statements of Financial Position. Loans and receivables are carried at amortised cost using the effective interest method. The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in Note 1.(o).

(n) Cash and cash equivalents

Comprise cash in hand, deposits held at call with banks, other short-term and highly liquid investments with original maturities of six months or less.

(o) Trade and other receivables

The Group recognises trade and other receivables initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of an asset is reduced through the use of a provision account, and the amount of the loss is recognised in the Income Statement. When a receivable is uncollectible, it is written off against the provision account for receivables. Subsequent recoveries of amounts previously written off are credited against the Income Statement.

(p) Trade and other payables

The Group recognises trade and other payables initially at fair value and subsequently measured at amortised cost using the effective interest method. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured, non-interest bearing and are usually paid within 45 days of recognition.

(q) Provisions

The Group recognises a provision when it has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense in the Income Statement.

(r) Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, long service leave and annual leave are recognised in employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Cost for non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

(s) Earnings per Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the Group profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares on issue during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares on issue for the effects of all dilutive potential ordinary shares, which comprise treasury stock and share options granted to employees.

(t) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid is deducted from equity attributable to the Company's equity holders until the shares are cancelled or transferred outside the Group.

(u) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments are aggregated for disclosure purposes where they have similar products and services, production processes, customers, distribution methods and regulatory environments.

(v) Standards or interpretations issued but not yet effective and relevant to the Group

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 October 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Company or Group, except for NZ IFRS 9 Financial Instruments, which becomes mandatory for the Group's 2016 consolidated financial statements and could change the classification and measurement of financial assets. The Company and Group does not plan to adopt this standard early and the extent of the impact has not been determined.

Note 2 Business Combinations

On 15 May 2012 the Talgentra Pacific Group underwent a change of ownership and restructure which involved Gentrack Group Limited (GGL), a newly incorporated New Zealand company, purchasing the shares of the then parent company, Talgentra Pacific Group Pty Ltd (TPGPL), through its newly incorporated Australian subsidiary, Gentrack Group Australia Pty Ltd.

The transaction met the definition of a business combination in accordance with NZ IFRS 3 Business Combinations; therefore the assets and liabilities of the acquired business have been fair valued.

At the time TPGPL was acquired it owned 100% of New Zealand domiciled Talgentra NZ Holdings Limited, which in turn owns 100% of the New Zealand domiciled operating subsidiary Gentrack Limited. TPGPL also owned 100% of the Australian operating subsidiary Gentrack Pty Limited.

The details of the acquisition transaction and the fair value adjustments arising from the change in ownership are shown below:

	Note	Fair value to the Group $000
Software	19	12,008
Customer relationships	19	7,986
Brand	19	5,024
Working capital (incl. cash of $108k)		4,541
PP&E	17	561
Deferred revenue		(1,122)
Non-current liabilities		(10,125)
Deferred tax		(5,202)
Net assets acquired		**13,671**
Goodwill arising	19	40,253
Fair value of net assets acquired and goodwill arising		**53,924**
Components of cost of acquisition		
Consideration: purchase of the shares held by 3rd party		35,308
Issue of Ordinary Shares	12	18,616
		53,924

Adjustments were made to reflect the fair value of the assets/liabilities acquired. They principally impacted the following two categories:

(a) Intangibles

Fair values were recognised for customer relationships, brands and developed software. Deferred tax was allowed for on the temporary timing differences created by these adjustments. The recognition of these intangibles and deferred tax had a net impact of $279k (debit) in the statement of comprehensive income of the Group in 2012 and $545k in the current year.

(b) Deferred income

The fair value of deferred income that was acquired resulted in a reduction in the deferred income liability of $1,769k. Had the acquisition not taken place the income for TPGPL would have been greater by $1,252k in 2012 and $515k in the current year.

Recognised goodwill comprised $40.3 million arising on the purchase of the 100% interest in the business on the 15th May 2012. Goodwill represents future economic benefits arising from assets that are not capable of being identified individually or recognised as separate assets. This includes the value of a skilled and experienced workforce, the pipeline of both contracted sales in progress and potential sales prospects at various stages of closure at the time of the acquisition and the value of established processes and infrastructure.

If the acquisition had occurred on 1 October 2011, the consolidated revenue for the year for the Group would have been $34.3m, and consolidated profit after tax for the year would have been $4.1m. In determining these amounts, it was assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 October 2011.

In 2013 a $24K adjustment was made to goodwill to reflect a decrease in deferred tax.

Note 3 Operating Segments

The Group currently operates in two business segments, utility billing software and airport management software, as at 30 September 2013. These segments have been determined based on the reports reviewed by the Board to make strategic decisions.

The assets and liabilities of the Group are reported to and reviewed by the Chief Operating Decision Maker in total and are not allocated by business segment. Therefore, operating segment assets and liabilities are not disclosed.

	Utility $000	Airport $000	Total $000
Group – For the period ended 30 September 2013			
External Revenue	36,005	4,121	40,126
Total external expenditure	(22,430)	(3,448)	(25,878)
Segment contribution before tax	**13,575**	**673**	**14,248**
Depreciation and amortisation	-	-	(2,207)
Non-operating costs	-	-	(170)
Finance income	-	-	94
Finance expense	-	-	(2,644)
Income tax (expense)/benefit	-	-	(2,685)
Profit/(loss) attributable to the shareholders of the company	-	-	**6,636**
Group – For the period ended 30 September 2012			
External Revenue	11,385	1,806	13,191
Total external expenditure	(7,558)	(1,446)	(9,004)
Segment contribution before tax	**3,827**	**360**	**4,187**
Depreciation and amortisation	-	-	(907)
Non-operating costs	-	-	(509)
Finance income	-	-	209
Finance expense	-	-	(1,181)
Income tax (expense)/benefit	-	-	(484)
Profit / (loss) attributable to the shareholders of the company	-	-	**1,315**

	2013 $000	2012 $000
Revenue by domicile of entity		
Australia	20,643	6,274
New Zealand	19,483	6,917
	40,126	**13,191**
Revenue by domicile of customer		
Australia	21,274	6,859
New Zealand	12,987	4,188
United Kingdom	2,946	1,152
Rest of world	2,919	992
	40,126	**13,191**

Revenues of approximately $4,681,000 (2012: $5,027,000) are derived from single customers and their subsidiaries from which revenue is 10% or more of the Group's revenue. These revenues are attributable to the utilities business segment.

Note 4 Revenue

	Group		Parent	
	2013 $000	2012 $000	2013 $000	2012 $000
Operating Revenue:				
Recurring	11,062	3,006	-	-
Non-recurring	3,790	2,167	-	-
Professional services	24,834	7,874	-	-
	39,686	**13,047**	**-**	**-**
Other Income:				
Government grants	440	144	-	-
	440	**144**	**-**	**-**

Government grants revenue relates to a three year agreement for 'Technology Development Grant Funding' with the Ministry of Science and Innovation.

Note 5 Expenditure

	Group		Parent	
	2013 $000	2012 $000	2013 $000	2013 $000
Profit before income tax includes the following specific expenses:				
Employee Costs				
Wages and salaries	16,088	5,514	-	-
Defined contribution plan contributions	512	144	-	-
Auditors' Remuneration				
KPMG – audit fees	115	109	36	20
KPMG – other services	373	106	68	10
Other expenses				
Rental and operating lease costs	1,279	395	-	-
Loss on disposal of fixed assets	2	-	-	-
Doubtful debts	(98)	62	-	-
Advertising and marketing	563	176	-	-
Communication costs	169	132	-	-
Consultancy	261	61	-	-
Contractors	1,326	141	-	-
Staff recruitment	291	117	-	-
Travel related	1,319	389	-	-
Other operating expenses	3,678	1,658	73	52
Total expenditure	**25,878**	**9,004**	**177**	**82**
Research and development expenses				
Total expenditure on research and development	2,528	730	-	-

Research and development expense includes a portion of employee costs shown above, directly attributable to research and development activities.

Note 6 Depreciation and Amortisation

	Group 2013 $000	2012 $000	Parent 2013 $000	2013 $000
Depreciation	209	74	-	-
Amortisation	1,998	833	-	-

Note 7 Non-operating Costs

	Note	Group 2013 $000	2012 $000	Parent 2013 $000	2013 $000
Costs relating to acquisition	2	-	509	-	-
Subsidiary ownership charge costs	25	170	-	87	-
		170	**509**	**87**	**-**

In 2013 costs composing tax and legal expenses were incurred in the transfer of ownership of the subsidiary company Talgentra New Zealand Holdings Limited from its Australian parent to Gentrack Group Limited.

Note 8 Net Finance Cost

	Group 2013 $000	2012 $000	Parent 2013 $000	2012 $000
Finance income				
Interest income	94	71	-	-
Interest income – intercompany	-	-	83	139
Dividend received from subsidiary	-	-	59,779	-
Impairment of investment in subsidiary	-	-	(25,236)	-
Foreign exchange gains	-	138	56	-
	94	**209**	**34,682**	**139**
Finance expenses				
Interest expense	(1,922)	(992)	(1,893)	(935)
Interest expense – intercompany	-	-	-	(4)
Foreign exchange losses	(722)	(189)	-	-
	(2,644)	**(1,181)**	**(1,893)**	**(939)**
Net finance cost	**(2,550)**	**(972)**	**32,789**	**(800)**

The dividend of $59,779,000 shown under Finance income was received by the Company from its Australian subsidiary, Gentrack Group Pty Limited and was the result of a series of dividends paid by subsidiaries to their immediate parent companies within the Group. The dividends received resulted in an impairment of $25,236,000 in the subsidiary, shown as a negative adjustment above under Finance income.

Note 9 Income Tax Expense

	Group 2013 $000	2012 $000	Parent 2013 $000	2012 $000
(a) Reconciliation of effective tax rate				
Profit/(loss) after tax for the period	9,321	1,799	32,525	(882)
Income tax using the Company's domestic tax rate of 28%	2,610	504	9,107	(247)
Non-deductible expense/(non-assessable income)	112	45	(9,648)	-
Difference on overseas subsidiaries	68	(64)	-	-
Under/(over) provided in prior periods	(105)	(1)	-	-
Income tax expense/(benefit)	**2,685**	**484**	**(541)**	**(247)**

	Group 2013 $000	2012 $000	Parent 2013 $000	2012 $000
(b) Current tax charge is represented as follows:				
Tax payable in respect of current year	3,981	1,043	(541)	(247)
Deferred tax (benefit)/expenses	(1,191)	(559)	-	-
Under/(over) provided in prior periods	(105)	-	-	-
	2,685	**484**	**(541)**	**(247)**

Note 10 Deferred Tax Asset/(Liability)

	Group 2013 $000	2012 $000	Parent 2013 $000	2012 $000
Recognised deferred tax assets and liabilities				
Deferred tax assets and (liabilities) are attributable to the following:				
Trade and other receivables	(9)	(352)	-	-
Intangible assets	(4,070)	(4,931)	-	-
Deferred income	267	98	-	-
Provisions including employee entitlements and doubtful trade debtors	347	527	-	-
Other	13	15	-	-
Total deferred tax asset/(liability)	**(3,452)**	**(4,643)**	-	-

The movement in temporary differences has been recognised in profit or loss. Deferred tax assets have been recognised at a rate of 28% at which they are expected to be realised.

Movement in temporary differences during the period:

Group	Balance 30 September 2012 $000	Temporary movements recognised $000	Balance 30 September 2013 $000
Trade and other receivables	(352)	343	(9)
Intangible assets	(4,931)	861	(4,070)
Deferred income	98	169	267
Provisions including employee entitlements and doubtful trade debtors	527	(180)	347
Other	15	(2)	13
Total	**(4,643)**	**(1,191)**	**(3,452)**

Imputation Credits

	Group 2013 $000	2012 $000	Parent 2013 $000	2012 $000
NZ Imputation credits available for use in subsequent reporting periods	3,523	2,934	-	1,101
Australian franking credits available for use in subsequent reporting periods (AUD1,468,704; 2012: AUD1,721,236)	1,674	2,188	-	-

Note 11 Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of shares on issue during the year. The Group has no dilutive potential shares.

		Group	
		2013	2012
Profit/(loss) attributable to the shareholders of the company	($000)	6,636	1,315
Number of shares outstanding	(000)	19,233	19,233
Basic and diluted earnings per share (dollars)		**0.35**	**0.07**

Note 12 Capital

	Shares Issued		Share Capital	
Parent	2013 $000	2012 $000	2013 $000	2012 $000
Ordinary Shares	14,893	14,893	18,617	18,617
Preference Shares	4,340	4,340	6,781	6,781
	19,233	**19,233**	**25,398**	**25,398**

Ordinary shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company, and rank equally with regard to the Company's residual assets.

Preference shares are fully paid and have no par value and rank equally in all respects with ordinary shares with the exception that in the event the Company is wound up and no bona fide sale of the Company's shares have been transacted at a value greater than the price paid per preference share, the holders of preference shares would have first call on the residual assets of the Company. The preference shares attract no coupon payment.

Note 13 Reserves

	Group		Parent	
	2013 $000	2012 $000	2013 $000	2012 $000
Foreign Currency Translation Reserve:				
Opening balance	239	-	-	-
Exchange differences on translation of foreign operations	229	239	-	-
Balance at 30 September	**468**	**239**	-	-

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations into New Zealand dollars.

Note 14 Retained Earnings

	Group		Parent	
	2013 $000	2012 $000	2013 $000	2012 $000
Opening balance	1,315	-	(635)	-
Profit for the year	6,636	1,315	33,066	(635)
Balance at 30 September	**7,951**	**1,315**	**32,431**	**(635)**

Note 15 Cash and Cash Equivalents

	Group		Parent	
	2013 $000	2012 $000	2013 $000	2012 $000
Bank Balances	133	465	-	-
Cash on hand	10	8	-	-
	143	**473**	-	-
Bank overdraft	-	(81)	-	-
	143	**392**	-	-

Note 16 Trade and Other Receivables

	Group		Parent	
	2013 $000	2012 $000	2013 $000	2012 $000
Trade debtors	7,323	5,920	-	-
Provision for doubtful debts	-	(98)	-	-
Provision for warranty claims	(29)	-	-	-
Work in Progress/Accrued revenue	2,761	4,306	-	-
Sundry receivables and prepayments	1,141	1,353	292	375
	11,196	**11,481**	**292**	**375**

(a) Credit risk

The aging of the Company's trade debtors at the reporting data was as follows:

Group	Gross		Allowance for doubtful debts	
	2013 $000	2012 $000	2013 $000	2012 $000
Not past due	3,658	4,678	-	-
Past due 1–30 days	2,316	432	-	-
Past due 31–60 days	839	215	-	-
Past due 61–90 days	205	216	-	-
Past due over 90 days	305	379	-	(98)
	7,323	**5,920**	-	**(98)**

The movement in the provision for doubtful debts during the period was as follows:

Group	2013 $000	2012 $000
Opening balance	(98)	(36)
(Increase)/decrease in provision	98	(62)
Bad debt written off	-	-
Balance at 30 September 2013	-	**(98)**

The Group maintains a provision for credits which it believes is more appropriate to its client base than a doubtful debts provision.

Note 17 Property, Plant and Equipment

Group	Furniture & Equipment $000	Computer Equipment $000	Leasehold Improvements $000	2013 Total $000
Period ended 30 September 2013				
Opening balance	178	161	200	539
Additions	138	143	141	422
Disposals	(31)	(1)	-	(32)
Depreciation charge	(48)	(112)	(49)	(209)

Effect of movement in foreign exchange	(7)	(7)	(6)	(20)
Closing net book amount	**230**	**184**	**286**	**700**
Cost	665	996	437	2,098
Accumulated depreciation	(435)	(812)	(151)	(1,398)
Closing net book amount	**230**	**184**	**286**	**700**

Group	Furniture & Equipment $000	Computer Equipment $000	Leasehold Improvements $000	2012 Total $000
Period ended 30 September 2012				
Acquired (Note 2)	187	162	213	561
Additions	13	37	3	55
Disposals	-	-	-	-
Depreciation charge	(22)	(35)	(16)	(74)
Effect of movement in foreign exchange	-	(3)	-	(3)
Closing net book amount	**178**	**161**	**200**	**539**
Cost	611	1,117	302	2,030
Accumulated depreciation	(433)	(956)	(102)	(1,491)
Closing net book amount	**178**	**161**	**200**	**539**

Note 18 Goodwill

	Note	Group 2013 $000	2012 $000
Opening balance		40,253	-
Net book amount arising on acquisition	2	24	40,253
Closing net book amount		**40,277**	**40,253**
Goodwill allocated to Utility		37,377	-
Goodwill allocated to Airport		2,900	-
Net book amount		**40,277**	-

In accordance with the requirements of IAS 36 (Impairment of Assets), the goodwill arising out of the acquisition in 2012 has been allocated to the two cash generating units (CGUs) identified within the Group, namely the Utility and Airport operating units.

The tests conducted for impairment on these CGUs have been based on value-in-use calculations using projections derived from the Group's five year forecast. The forecast has been based on management's consideration of past performance and its assessment of future expectations.

In performing the value-in-use calculations for the CGUs the Group has applied a post-tax discount rate of 17.2%. The discount rate used reflects specific risks associated with business conducted within the CGU, including those risks associated with the countries in which the Group operates. The growth rate used to extrapolate cash flows beyond the 5 year forecast is 2.5% (2012: 2.5%). This growth rate is consistent with forecasts conducted in similar industry reports.

The value-in-use tests are sensitive to discount rates and the assumed growth in cash flows. The Group has performed detailed sensitivity analysis as part of the impairment testing to ensure that the results of its testing are reasonable and prudent. The sensitivity analysis showed that the value-in-use of the two Group's CGUs equals their carrying value as follows:

An increase in the post-tax discount rate: Utilities to 29.9% (an increase of 74%); Airports to 20.6% (an increase of 20%)

A reduction in the growth rate of future cash flows: Utilities by 50%; Airports by 20%

Consequently management believes that there is no impairment of either CGU.

Note 19 Intangible Assets

Group	Software $000	Customer Relationships $000	Brand Names $000	2013 Total $000	2012 Total $000
Period ended 30 September 2013					
Opening balance	11,508	7,653	5,024	24,185	25,018
Additions	66	-	22	88	-
Amortisation charge	(1,198)	(798)	(2)	(1,998)	(833)
Closing net book amount	**10,376**	**6,855**	**5,044**	**22,275**	**24,185**
Cost	12,075	7,986	5,045	25,106	25,018
Accumulated amortisation	(1,699)	(1,131)	(1)	(2,831)	(833)
Net book amount	**10,376**	**6,855**	**5,044**	**22,275**	**24,185**

Note 20 Investments

Parent	2013 $000	2012 $000
Investment in Gentrack Group Australia Pty Limited		
Consideration	57,236	57,236
Impairment	(25,236)	-
Carrying Amount	**32,000**	**57,236**
Investment in Talgentra NZ Holdings Limited		
Consideration	54,000	-
Carrying Amount	**54,000**	-

Note 21 Trade Payables and Accruals

	Group 2013 $000	2012 $000	Parent 2013 $000	2012 $000
Trade creditors	328	736	-	-
Sundry accruals	1,644	1,479	217	425
	1,972	**2,215**	**217**	**425**

Note 22 Employee Entitlements

	Group 2013 $000	2012 $000	Parent 2013 $000	2012 $000
Current				
Liability for long-service leave	316	201	-	-
Liability for annual leave	848	860	-	-
	1,164	**1,061**	-	-
Non-current				
Liability for long-service leave	242	155	-	-
	242	**155**	-	-

Note 23 Interest Bearings Loans and Borrowings

	Group 2013 $000	2012 $000	Parent 2013 $000	2012 $000
Current borrowings				
Secured bank loan	4,552	4,063	4,552	4,063
Obligations under finance leases	33	51	-	-
	4,585	**4,114**	**4,552**	**4,063**
Non-current borrowings				
Secured bank loan	24,030	33,582	24,030	33,582
Obligations under finance leases	-	-	-	-
	24,030	**33,582**	**24,030**	**33,582**

Terms and debt repayment schedule

	Nominal Interest	Year of Maturity	2013 Face Value $000	2013 Carrying Amount $000	2012 Carrying Amount $000
Secured bank loan	5.43%	2015	28,582	28,582	37,645

The bank loan is a three year term facility which was fully drawn down on 15 May 2012. It is secured over all of the assets of the Group. The Group is required to meet normal quarterly covenants based on interest, debt servicing and leverage ratios. At 30 September 2013 the Group was operating comfortably within the mandated ratios.

Finance lease liabilities

	Computer equipment 2013 $000	Leasehold improvements 2013 $000	Total 2013 $000	2012 $000
Less than one year	8	-	8	51
Between one and five years	25	-	25	-
More than five years	-	-	-	-
	33	-	**33**	**51**

Note 24 Financial Risk Management

The Group's principal financial instruments include trade receivables and payables, cash and short term deposits, borrowings and loans and receivables from group companies.

As a result of the Group's operations and sources of finance, it is exposed to credit risk, liquidity risk and market risks which include foreign currency risk, commodity price risk and interest risk. These risks are described below.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the financial risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Details of the significant accounting policies and methods adopted, included the criteria for recognition, the basis of measurement and the basis upon which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in the Statement of Accounting Policies to the financial statements.

The Group holds the following financial instruments.

Group	2013 $000	$000	$000	2012 $000	$000	$000
	Held for Trading	Loans and Receivables	Other amortised cost	Held for trading	Loans and Receivables	Other amortised cost
Financial assets						
Cash and cash equivalents	-	143	-	-	473	-
Tax related assets	-	-	-	-	452	-
Trade and other receivables	-	11,196	-	-	11,481	-
	-	**11,339**	-	-	**12,406**	-
Financial liabilities						
Bank overdraft	-	-	-	-	-	(81)
Borrowings	-	-	(28,615)	-	-	(37,696)
Derivative liabilities	(111)	-	-	(79)	-	-
Tax related liabilities	-	-	(2,274)	-	-	(1,247)
Trade and other payables	-	-	(3,378)	-	-	(3,431)
	(111)	-	**(34,267)**	**(79)**	-	**(42,455)**

Parent	2013			2013		
	$000	$000	$000	$000	$000	$000
	Held for Trading	Loans and Receivables	Other amortised cost	Held for trading	Loans and Receivables	Other amortised cost
Financial assets						
Amount owing from subsidiary	-	690	-	-	6,716	-
Tax related assets	-	-	-	-	247	-
Trade and other receivables	-	292	-	-	375	-
	-	**982**	-	-	**7,338**	-
Financial liabilities						
Borrowings	-	-	(28,582)	-	-	(37,645)
Derivative liabilities	-	-	-	(79)	-	-
Trade and other payables	-	-	(217)	-	-	(425)
Amount owing to subsidiary	-	-	(354)	-	-	(1,662)
	-	-	**(29,153)**	**(79)**	-	**(39,732)**

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and it arises principally from the Group's trade receivables from customers in the normal course of business.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The creditworthiness of a customer or counter party is determined by a number of qualitative and quantitative factors. Qualitative factors include external credit ratings (where available), payment history and strategic importance of customer or counter party. Quantitative factors include transaction size, net assets of customer or counter party, and ratio analysis on liquidity, cash flow and profitability.

In relation to trade receivables, it is the Group's policy that all customers who wish to trade on terms are subject to credit verification on an ongoing basis with the intention of minimising bad debts. The nature of the Group's trade receivables is represented by regular turnover of product and billing of customers based on the Group's contractual payment terms.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

The carrying amount of the Group's financial assets represents the maximum credit exposure as summarised above.

Refer to note 16 for an aging profile for the Group's trade receivables at reporting date.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they become due and payable. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they become due and payable, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Maturities of financial liabilities

The following table details the Group's contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, as at the reporting date:

Group 2013	1 year or less $000	Over 1 to 5 Years $000	Over 5 Years $000	Total contractual cash flows $000	Carrying amount liabilities $000
Non-derivative financial liabilities					
Borrowings	6,045	24,805	-	30,850	28,615
Tax related liabilities	2,274	-	-	2,274	2,274
Trade and other payables	3,378	242	-	3,620	3,378
Derivative financial liabilities					
Interest rate swap contracts	111	-	-	111	111
	11,808	**25,047**	-	**36,855**	**34,378**

Parent 2013	1 year or less $000	Over 1 to 5 Years $000	Over 5 Years $000	Total contractual cash flows $000	Carrying amount liabilities $000
Non-derivative financial liabilities					
Borrowings	6,011	24,805	-	30,816	28,582
Trade and other payables	217	-	-	217	217
Amount owing to subsidiary	318	36	-	354	354
Derivative financial liabilities					
Interest rate swap contracts	-	-	-	-	-
	6,546	**24,841**	-	**31,387**	**29,153**

Group 2012	1 year or less $000	Over 1 to 5 Years $000	Over 5 Years $000	Total contractual cash flows $000	Carrying amount liabilities $000
Non-derivative financial liabilities					
Bank overdraft	81	-	-	81	81
Borrowings	6,176	36,390	-	42,567	37,696
Tax related liabilities	1,247	-	-	1,247	1,247
Trade and other payables	3,276	155	-	3,431	3,431
Derivative financial liabilities					
Interest rate swap contracts	79	-	-	79	79
	10,859	**36,545**	-	**47,405**	**42,534**

Parent 2012	1 year or less $000	Over 1 to 5 Years $000	Over 5 Years $000	Total contractual cash flows $000	Carrying amount liabilities $000
Non-derivative financial liabilities					
Borrowings	6,125	36,390	-	42,515	37,645
Trade and other payables	425	-	-	425	425
Amount owing to subsidiary	4	1,658	-	1,662	1,662
Derivative financial liabilities					
Interest rate swap contracts	79	-	-	79	79
	6,633	**38,048**	-	**44,681**	**39,811**

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Group is exposed to currency risk on sales transactions that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Australian Dollar (AUD), Hong Kong Dollar (HKD), Pound Sterling (GBP), EURO (EUR) and US Dollar (USD).

The Group reports in New Zealand dollars. Movements in foreign currency exchange rates affect reported financial results, financial position and cash flows. Where practical, the Group attempts to reduce this risk by matching revenues and expenditures, as well as assets and liabilities, by country and by currency. More weight is given to known exposures where there is little or no natural hedge. Consideration is given to projected exposures based on the probability of them occurring in the near future.

Foreign exchange rates applied against the New Zealand Dollar, at 30 September are as follows:

	2013	2012
AUD	0.8776	0.7867
CAD	0.8230	0.8012
FJD	1.5240	1.4611
HKD	6.2993	6.3444
GBP	0.5129	0.5084
EUR	0.6087	0.6365
USD	0.8123	0.8182

The Group's exposure to foreign currency risk at the reporting date was as follows (all amounts are denominated in New Zealand Dollars):

2013	AUD $000	CAD $000	FJD $000	GBP $000	EUR $000	USD $000
Cash and cash equivalents	69	-	-	37	-	1
Trade and other receivables	4,062	50	46	1,102	210	185
Trade and other payables	(549)	-	-	(111)	-	(6)
	3,582	**50**	**46**	**1,028**	**210**	**180**

2012	AUD $000	HKD $000	GBP $000	EUR $000	USD $000
Cash and cash equivalents	467	-	37	-	1
Trade and other receivables	5,342	-	582	81	500
Trade and other payables	(264)	(16)	(74)	-	(33)
	5,545	**(16)**	**545**	**81**	**468**

Debt facility repricing

The interest rate charged on the bank debt facility is based on a bank margin added to the official cash rate. The bank's margin is determined by the Company's achievement against certain bank covenants. This is reviewed every quarter.

Interest rate risk

At the reporting date the secured bank loan was 34% uncovered for interest rate risk, 31% hedged for one year and 35% for two years. Interest rate swaps are carried at fair value and are considered to be at Level 2 in the fair value hierarchy. Level 2 means inputs other than unadjusted quoted prices in active markets which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Group	Interest Rate %	2013 Carrying amount $000	Interest Rate %	2012 Carrying amount $000
Bank overdraft	9.65%	-	9.65%	81
Obligations under finance leases	11.9%	33	11.9%	51
Secured bank loan	5.43%	28,582	5.7%	37,645
Net exposure to interest rate risk		**28,615**		**37,777**

Parent	Interest Rate %	2013 Carrying amount $000	Interest Rate %	2012 Carrying amount $000
Secured bank loan	5.43%	28,582	5.7%	37,645
Net exposure to interest rate risk		**28,582**		**37,645**

Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to foreign currency risk and interest rate risk.

	Foreign currency risk[1]				Interest rate risk[2]			
	-10%		+10%		-100bps		+100bps	
Group 2013	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000
Cash and cash equivalents	12	12	(10)	(10)	-	-	-	-
Trade and other receivables	628	628	(514)	(514)	-	-	-	-
Trade and other payables	(74)	(74)	61	61	-	-	-	-
Derivative financial instruments	-	-	-	-	(189)	(189)	189	189
Bank overdraft	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	286	286	(286)	(286)
Total increase/(decrease)	**566**	**566**	**(463)**	**(463)**	**97**	**97**	**(97)**	**(97)**

	Foreign currency risk[1]				Interest rate risk[2]			
	-10%		+10%		-100bps		+100bps	
Parent 2013	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000
Amount owing from subsidiary	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	(189)	(189)	189	189
Borrowings	-	-	-	-	286	286	(286)	(286)
Total increase/(decrease)	-	-	-	-	**97**	**97**	**(97)**	**(97)**

	Foreign currency risk[1]				Interest rate risk[2]			
	-10%		+10%		-100bps		+100bps	
Group 2012	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000
Cash and cash equivalents	56	56	(46)	(46)	-	-	-	-
Trade and other receivables	732	732	(599)	(599)	-	-	-	-
Trade and other payables	(43)	(43)	35	35	-	-	-	-
Derivative financial instruments	-	-	-	-	(290)	(290)	290	290
Bank overdraft	-	-	-	-	1	1	(1)	(1)
Borrowings	-	-	-	-	377	377	(377)	(377)
Total increase/(decrease)	**745**	**745**	**(610)**	**(610)**	**88**	**88**	**(88)**	**(88)**

	Foreign currency risk[1]				Interest rate risk[2]			
	-10%		+10%		-100bps		+100bps	
Parent 2012	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000
Amount owing from subsidiary	(610)	(610)	746	746	-	-	-	-
Derivative financial instruments	-	-	-	-	(290)	(290)	290	290
Borrowings	-	-	-	-	376	376	(376)	(376)
Total increase/(decrease)	**(610)**	**(610)**	**746**	**746**	**86**	**86**	**(86)**	**(86)**

1 The foreign currency sensitivity above represents a 10% decrease and increase in spot foreign exchange rates.

2 The interest rate sensitivity above represents a 100 basis point decrease and increase in variable interest rates.

(d) Capital management

The Group's target is to maintain a strong capital base so as to sustain future development of the business. The Group is not subject to any externally imposed capital requirements.

(e) Fair value measurement

The carrying amounts of the Group's financial assets and liabilities approximate their fair value due to their short maturity periods or fixed rate nature.

Note 25 Related Parties

Identity of related parties

The group has related party relationships with its subsidiaries. The related party transactions primarily consist of the purchase and sale of software products, provision of technical support, loan advances and repayments, consultancy services and management charges on commercial terms. Related parties to the group are as follows:

Entity	Principal Activity
Gentrack Group Australia Pty Limited	Australian holding company
Talgentra Pacific Group Pty Limited	Australian holding company
Gentrack Pty Limited	Australian operating company – software development, sales and support
Talgentra NZ Holdings Limited	New Zealand holding company
Gentrack Limited	New Zealand operating company – software development, sales and support

Related party receivables

Loans and receivables between Gentrack Group Limited, the parent, and related parties for the period ended 30 September 2013 amounted to $288,000 (2012: $6,577,000) and are presented in non-current assets in the Statement of Financial Position. It is not expected that these loans will be received in the following 12 months. These loans bear an annual interest rate of 6%.

Trade receivables from related parties are non-interest bearing and repayable on demand and are accordingly disclosed as current assets in the Statement of Financial Position.

Parent	2013 $000	2012 $000
Gentrack Group Australia Pty Ltd – Long term loan	-	6,577
Gentrack Group Australia Pty Ltd – Interest receivable	402	139
Gentrack Ltd – Long term loan	288	-

Related party payables

Loans and receivables between Gentrack Group Limited, the parent, and related parties for the period ended 30 September 2013 amounted to $36,000 (2012: $1,658,000 and are presented in non-current liabilities in the Statement of Financial Position. It is not expected that these loans will be paid in the following 12 months. These loans bear in an annual interest rate of 6%.

Trade payables from related parties are non-interest bearing and repayable on demand and are accordingly disclosed as current liabilities in the Statement of Financial Position.

Parent	2013 $000	2012 $000
Gentrack Ltd – Long term loan	-	(1,658)
Gentrack Group Australia Pty Ltd – Long term loan	(36)	-
Gentrack Ltd – Interest payable	(318)	(4)

Interest received/paid

Parent	2013 $000	2012 $000
Net interest received	(402)	(139)
Net interest paid	318	4

Management fees are charged by Gentrack Limited, the New Zealand operating company, to related parties during the year to cover management type activities.

Note 26 Operating Lease Commitments

	Group 2013 $000	2012 $000	Parent 2013 $000	2012 $000
Non-cancellable operating lease commitments due:				
Not later than one year	1,022	824	-	-
Later than one year not later than five years	3,440	3,698	-	-
Later than five years	-	269	-	-
	4,462	**4,791**	-	-

The Group leases premises, plant and equipment. Operating leases held over properties give the Group the right to renew the lease subject to redetermination of the lease rental by the lessor. There are no renewal options or options to purchase in respect of plant and equipment held under operating leases.

Note 27 Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity.

Short-term benefits represent employee entitlements, including benefits in kind and directors' fees.

Group	2013 $000	2012 $000
Short-term benefits to key management personnel	792	264
Post-employment benefits applicable to key management personnel	15	4

Other transactions with key management personnel

There were no other transactions with key management personnel during the period.

Note 28 Capital Commitments

The capital expenditure commitments as at 30 September 2013 are $nil (2012: $nil).

Note 29 Contingencies

ANZ New Zealand has provided the following guarantees on behalf of the Gentrack Group:

NZD$291,306 (HKD$1,842,891) to ANZ Hong Kong. This guarantee is due to expire on 26 August 2014.
NZD$65,128 (GBP£33,072) to Bank of Ceylon Limited. This guarantee is due to expire on 15 March 2014.
NZD$915,227 (AUD$800,000) to ANZ Trade Service Delivery. This guarantee is due to expire on 18 September 2014.

Note 30 Events Subsequent to Balance Date

There have been no material events subsequent to the end of the reporting period. (2012: nil)

Note 31 Cash Flow Information

	Group		Parent	
	2013 $000	2012 $000	2013 $000	2012 $000
(a) Reconciliation of operating cash flows with reported profit/(loss) after tax:				
Profit/(loss) after tax	6,636	1,315	33,066	(635)
Add/(less) non-cash items				
Deferred tax	(1,191)	559	-	-
Other non-cash expenses/(income)	237	1,236	24,617	(247)
Depreciation and amortisation	2,207	907	-	-
	7,889	**4,017**	**57,683**	**(882)**
Add/(less) movements in other working capital items:				
Increase/(decrease) in tax payable	1,472	(1,267)	-	-
Decrease/(increase) in trade and other receivables	284	(3,086)	83	(375)
Decrease/(increase) in GST receivable	7	20	-	-
Decrease/(increase) in deferred revenue	(310)	980	-	-
Decrease in employee entitlements	190	58	-	-
Increase/(decrease) in trade payables and accruals	(243)	(408)	(208)	456
	9,289	**314**	**57,558**	**(801)**
Items classified as investing activity				
Net finance income	2,287	972	(57,946)	769
Loss on disposal of property, plant and equipment	2	-	-	-
Net cash inflow from operating activities	**11,578**	**1,286**	**(388)**	**(32)**
(b) Loan Facilities:				
Loan Facility	3,684	3,763	-	-
Amount utilised	-	(81)	-	-
Unused loan facility	**3,684**	**3,682**	-	-

Working capital is supported by a NZD$3.0m New Zealand and a AUD$0.6m Australian working capital facility both of which were unused as at 30 September 2013 (2012: $81,000 overdraft). Included in working capital is deferred revenues of $2,944,000 (2012: $3,254,000) which are not repayable in cash.

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Directors

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