



# GBST Holdings Limited

ABN: 85 010 488 874

Financial Report for the  
Half-Year Ended 31 December 2014

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# Directors' Report

The Directors of GBST Holdings Limited ('GBST' or the 'Company') submit their report together with the consolidated financial report of the Group, comprising the Company and its controlled entities for the half-year ended 31 December 2014 and the review report thereon.

## Directors

The names of the Directors of the Company in office during the half-year and to the date of this report are:

Name	Period of Directorship
<b>Non-executive</b>	
Dr John F Puttick (Chairperson)	January 1984
Mr David C Adams	April 2008
Mr Allan J Brackin	April 2005
Mr Joakim J Sundell	July 2001
Dr Ian Thomas	December 2011
<b>Executive</b>	
Mr Stephen M L Lake (Managing Director and Chief Executive Officer)	September 2001

## Principal activities

The principal activities of GBST during the half-year ended 31 December 2014 were:

- client accounting and securities transaction technology solutions for the finance, banking and capital markets industry globally;
- funds administration and registry software for the wealth management industry in Australia and the United Kingdom;
- gateway technology provider to the superannuation industry; provider of data and quantitative services offering after tax measurement of portfolio performance in Australia; and
- website and mobile platform design and digital agency services focused on e-commerce and the financial services industry in Australia and Europe.

No significant changes in the nature of these activities occurred during the half-year.

## Key Financial Results

- Total revenue increased by 14% to \$55.7 million (Dec 2013: \$49.0 million).
- EBITDA increased by 27% to \$12.3 million (Dec 2013: \$9.7 million).
- Profit before income tax (PBT) increased by 56% to \$8.8 million (Dec 2013: \$5.6 million).
- Net profit after income tax (NPAT) increased by 58% to \$6.9 million (Dec 2013: \$4.4 million).
- Adjusted cash net profit after income tax (Cash NPAT) increased by 33% to \$8.9 million (Dec 2013: \$6.7 million)
- Senior debt was fully repaid during the half-year. Net Debt has reduced from \$3.6 million at 30 June 2014 to a net cash position of \$2.8 million.

## GBST comprised three divisions during the year:

- **GBST Wealth Management**, through the GBST Composer platform provides end to end funds administration and management software to the wealth management industry, both in Australia and the United Kingdom. It offers an integrated system for the administration of wrap platforms, including individual savings accounts (ISA's), pensions, self-invested personal pension (SIPP) and superannuation; as well as master trusts, unit trusts, risk and debt; and other investment assets. Other GBST products provide technology hub solutions, and data analytics and quantitative services for the measurement of portfolio performance.
- **GBST Capital Markets**, through the GBST Syn~ platform, provides new-generation technology to process equities, derivatives, fixed income and managed funds transactions for global capital markets. In Australia, GBST also offers the GBST Shares and DCA (derivatives) platforms which are the country's most widely used middle-office and back-office equities and derivatives systems. Other GBST products provide fully integrated solutions for trading, clearing and settlement of multi-instruments, currencies and markets.
- **GBST Financial Services**, incorporating Emu Design, provides independent financial data and digital agency services for interactive website design, development, hosting, e-commerce platforms, and mobile and social networking solutions.

## DIVIDENDS

A final fully franked ordinary dividend of 4.5 cents per share for the 2014 financial year was paid on 15 October 2014, as recommended in the financial report for the year ended 30 June 2014.

### Dividends declared after the end of the half-year:

The Directors recommend an interim dividend of 5.0 cents per share to be paid to the holders of fully paid ordinary shares. The dividend will be 100% franked and will be paid on 23 April 2015.

## Group results

	Half-year to 31 December		
	2014 \$'000	2013 \$'000	% Change
<b>Total revenue and other income</b>	<b>55,657</b>	48,956	14
<b>Operating EBITDA</b>	<b>12,322</b>	9,426	31
Unallocated revenue/(expenses)	-	263	
<b>EBITDA</b>	<b>12,322</b>	9,689	27
Net finance costs	<b>25</b>	(384)	107
Depreciation & Operating Amortisation	<b>(1,623)</b>	(1,366)	(19)
Investment Amortisation	<b>(1,944)</b>	(2,307)	16
<b>Profit before income tax</b>	<b>8,780</b>	5,632	56
Income tax expense	<b>(1,835)</b>	(1,239)	
<b>Profit after income tax</b>	<b>6,945</b>	4,393	58
<b>Adjusted Cash NPAT</b>	<b>8,890</b>	6,701	33
<b>Basic EPS (cents)</b>	<b>10.43</b>	6.60	58
<b>Cash EPS (cents)</b>	<b>13.36</b>	10.07	33

The table includes IFRS and non-IFRS financial information. Non-IFRS financial information is Operating EBITDA, Operating & Investment Amortisation, Adjusted Cash NPAT and Cash EPS which has not been audited or reviewed by our auditor, KPMG.

### Measures of profitability and basis of preparation

GBST defines Operating EBITDA as profit before net finance costs, tax, depreciation, amortisation, and other unallocated expenses. Operating Amortisation is defined as amortisation relating to tangible and intangible assets used as part of on-going operating activities; Investment Amortisation relates to intangible assets acquired through acquisition. GBST defines Adjusted Cash NPAT as profit after income tax plus Investment Amortisation. GBST uses Operating EBITDA, Adjusted Cash NPAT and Cash EPS as internal performance indicators for the management of its operational business segments, and overall Group performance to allow for better evaluation of business segment activities and comparison over reporting periods.

Unallocated revenue/(expenses) are legal expenses associated with non-operating Group matters which are not associated with any business segment and therefore are not allocated to a segment. This treatment is in accordance with Management's internal measurement of segment performance and the segment disclosures in Note 8 to the financial report. Unallocated revenue/(expenses) are reported to allow for reconciliation between the Group and segment reports.

## Group performance

### GBST international expansion drives record result

GBST, which provides securities processing and wealth administration software for the financial services industry, reported record sales and profit for the first half of FY2015. These results reflect the continued investment in software development and global growth that enables GBST to provide robust, scalable technology in Australia, Asia, Europe and North America. Revenue was \$55.7 million, up 14% compared to \$49.0 million in the previous corresponding period.

For the first time international sales exceeded Australian sales and the Company's overseas operations are GBST's growth engine. International revenue was \$28.8 million for the first half, up 27% from \$22.6 million in the previous corresponding period. Australian revenue was steady at \$26.6 million, up from \$26.2 million.

GBST's growth is driven by investment in its flagship products GBST Syn~ and GBST Shares for capital markets, and GBST Composer for wealth management. A co-ordinated global program of software development ensures GBST continues to take advantage of improving global connectivity and industry changes demanded by new regulations.

EBITDA increased 27% to \$12.3 million, up from \$9.7 million.

Senior debt was fully repaid, down from \$5 million at 30 June 2014, and the Company held net cash of \$2.8 million at 31 December 2014.

Depreciation and operating amortisation charges increased in line with revenue growth.

GBST's tax rate for the first half of FY2015 was 21%, reflecting the benefit of R&D-related tax concessions, compared to 22% in the previous corresponding period.

Net profit rose 58% to \$6.9 million, compared to \$4.4 million. The Directors are pleased to recommend an interim dividend of 5.0 cents per share, fully franked, up from 4.0 cents per share, fully franked, in the previous corresponding period.

### INVESTMENT FOR THE FUTURE

As a leader in software, GBST is at the forefront of technology innovation. To maintain its financial services technology primacy, the Company is committed to investment in research and development.

GBST has a team of skilled software engineers, technical professionals and industry subject matter experts that create, develop and maintain the Company's intellectual property around the world. The team is continually growing, along with the expansion of the recently established technology development centre in Ho Chi Minh City, Vietnam. The centre now employs more than 90 staff and is fully integrated with Company's operations in Sydney and London.

GBST is integrating its capital markets products to offer a holistic product portfolio for retail and institutional brokers, third-party clearers and custodians. The portfolio will increase the value of the GBST Syn~ platform for clients across the enterprise, enabling firm-wide use through GBST's business intelligence reporting tool, GBST BIR, which provides cross-product reporting; and GBST MarginSuite for risk management and GBST Front Office, which is used by financial advisers. Over the longer term, GBST plans to extend this portfolio for both capital markets and the wealth management sector.

Portfolio enhancements include:

- Increased scalability of GBST Syn~ to support a broader range of clearing and service provision environments; this is an important step to enable deployment of Syn~ in the cloud.
- Improved middle office processing through internationalisation of the GBST Syn~ bookings engine and standardising booking processes for all global clients; electronic trade confirmation and commission agreement.
- Strengthening back-office processes for regional and global settlements management, cash flow and foreign exchange processing, and exchange traded derivatives.
- Improved data access through cross product reporting, user-friendly dashboards and metrics.

Responding to changes in the market and growing demand for applications which support deployment onto multiple relational database systems, GBST developed an innovative solution which enabled deployment of GBST Composer on a single code baseline, simultaneously supporting multiple databases. This solution has recently been rolled out in the UK.

## GBST Wealth Management

Half-year to 31 December	2014 \$000's	2013 \$000's	% Change
<i>Revenue - Australia</i>	<b>10,022</b>	9,596	4
<i>Revenue - International</i>	<b>23,679</b>	16,179	46
Revenue - Total	<b>33,701</b>	25,775	31
Operating EBITDA - <i>Australia</i>	<b>3,786</b>		
Operating EBITDA - <i>International</i>	<b>5,508</b>		
Operating EBITDA - Total	<b>9,294</b>	5,341	74

\* No comparative available for 1H FY2014 Operating EBITDA – Australia or international.

GBST Wealth Management reported strong revenue growth in the first half of FY2015. Revenue from new sales, licensing and support was \$33.7 million, up 31% from \$25.8 million. Operating EBITDA increased to \$9.3 million, up 74%.

### Outstanding international revenue growth

International revenue grew significantly to \$23.7 million, up 46%, reflecting a record number of new implementations of GBST Composer. Operating EBITDA was \$5.5 million. This was an outstanding result as the UK market has become more competitive, particularly in the wraps and platforms sector where GBST Composer is the market leader, supporting three of the top six platforms.

GBST Composer continued to win new retirement industry clients. The insured pensions market, which manages £580 billion in assets, has been impacted by legislation change which removed the previous mandatory purchase of annuity products. This has placed pressure on the industry to create better value income offerings for customers which are also easy to understand. As consumers are increasingly buying direct, the pensions market is turning to digital platforms.

Today GBST Composer supports five of the leading pension providers in the UK. It has proven that migration from older technology to flexible new systems, capable of handling thousands of products, such as GBST Composer can provide pensions firms with significant savings. One major advantage of GBST Composer is that it can be tailored to meet the exact requirements of each client, enabling them to run differentiated propositions, on a single technology platform.

GBST also increased market share in the Self Invested Personal Pensions (SIPP) market, which manages £155 billion in assets.

Significant legislation change enacted during the first half included implementation of the first and second phases of the UK Financial Conduct Authority's Client Assets Sourcebook (CASS) which governs investment firms' conduct when handling client money in custody assets. The second phase of CASS became effective on 1 December 2014, impacting how investment firms report to the FCA for new clients.

GBST Composer was fully compliant with the legislation despite the challenging timeframes set by the regulator. Work is on schedule to ensure compliance with the next phase of changes.

The UK business remains in an early stage of growth, requiring significant investment in technology and product development to maintain its competitive position. The UK market is the most significant in

Europe, with more than £770 billion in retail mutual funds (of which £260 billion is on platforms), and £2.7 trillion in life Company assets, including insured pensions.

More than 45 staff in GBST's Vietnam centre now support Composer-related projects. This combined offshore and onshore development model is working well, enabling the Company to deliver client projects successfully while meeting compliance requirements.

### **Australia**

Activity in Australia was driven by existing client work, and revenue from annuity licences and services was \$10 million, up 4% from \$9.6 million. Operating EBITDA was \$3.8 million.

Significant projects during the half included the implementation of a major transition program for a banking client migrating a legacy technology system onto GBST Composer; when complete, nearly 1 million accounts will be managed on the platform. Work began on a life insurance project, and a direct to consumer project for a leading bank in New Zealand. GBST maintains a strong pipeline of possible future work.

In August 2014 GBST launched the first live SuperStream electronic choice contributions messages for self-managed superannuation funds (SMSFs), delivering the first SuperStream-compliant contributions from employees direct to superannuation funds including SMSFs. This service is part of GBST's SuperStream Gateway suite for superannuation rollover and contribution transactions which helps superannuation funds, banks and SMSF clients to process superannuation contributions electronically.

GBST Quant increased the number of banking and superannuation clients supported by its GBST Tax Analyser. This product enables fund managers to calculate expected tax outcomes prior to trades, and is particularly helpful for organisations with multiple managers.

## GBST Capital Markets

Half-year to 31 December	2014 \$000's	2013 \$000's	% Change
<i>Revenue - Australia</i>	<b>15,118</b>	14,844	2
<i>Revenue - International</i>	<b>5,143</b>	6,395	(20)
Revenue - Total	<b>20,261</b>	21,239	(5)
<i>Operating EBITDA - Australia</i>	<b>5,114</b>	5,303	(4)
<i>Operating EBITDA - International</i>	<b>(2,073)</b>	(820)	(153)
Operating EBITDA - Total	<b>3,041</b>	4,483	(32)

Revenue was \$20.2 million, down 5% from \$21.2 million in the previous corresponding period. While Australian sales were steady, with annuity licence sales income and long-term contracts contributing approximately 80% of the total, international revenue was lower compared to the previous corresponding period when significant new implementations of GBST Syn~ bolstered sales. Operating EBITDA was \$3.0 million, down 32% from \$4.5 million as investment in global sales and support and R&D increased.

### Steady performance in Australia

Australian revenue rose to \$15.1 million, up 2% from \$14.8 million. This was a credible result in a difficult market with subdued retail trading activity and greater competition in third-party clearing. Operating EBITDA for Australian operations was \$5.1 million, similar to the previous corresponding period.

Significant projects included GBST's migration of a leading global investment bank's back- and middle-office from GBST Shares to GBST Syn~. This landmark project is an important step forward in the development of GBST Syn~ and is likely to lead to the bank's rollout of GBST Syn~ across Asia.

Considerable legislative and regulatory change will continue to impact the industry over the coming years. GBST has an established reputation for dependable, fully compliant and highly scalable products. As the leading domestic and regional third-party clearing software provider, GBST is well positioned to supply participants with industry-leading solutions.

GBST has commenced a new roll out of GBST Front Office to more than 200 advisers for a major international bank. The product will be used by more than 10 stockbroker and financial adviser groups, supporting approximately 1000 advisers in Australia.

GBST Front Office is compliant with international anti-money laundering regulation, enabling fully automated transactions with cash management accounts and other financial instruments. Its integration with GBST Syn~ to support a retail offering in Asia continues GBST's strategy of developing products for international use, following the successful overseas deployment of GBST BIR and GBST MarginSuite.

### **GBST's international expansion continues**

International revenue was \$5.1 million for the first half, similar to the second half of FY2014. International operations made a loss before interest, tax, depreciation and amortisation of \$2.1 million, compared to a loss of \$0.8 million in the previous corresponding period.

The roll out of GBST Syn~ for one of the world's largest banking and financial services organisations in Asia is continuing. The Company is currently using GBST Syn~ to link custody services to global investors in Hong Kong, Singapore and other markets, and also to support a fully integrated software solution for stockbroker clients. This enables brokers to outsource either a part or the entirety of their middle and back-office operations. The implementation has already delivered significant benefit and the next phase of activity is underway and on schedule.

GBST continues to progress work for global investment banks in Asia, where GBST Syn~'s multi-market, multi-product and multi-currency capability provides a regional solution. A major client in Asia is using GBST Syn~ to clear trades in 16 Asian countries; another uses GBST Syn~ to provide third-party clearing services for US equities across all Asian countries including Japan as a recent addition, and in the United States.

In the US, the initial deployment of GBST Syn~ for GBST's first direct US client has realised significant synergies, including increased automation and back and middle office efficiencies, and a supplementary project to extend the usage of the product is already underway.

GBST is focused on North America for growth, and has recently appointed a New-York based management team including a regional chief executive and additional sales and business development staff.

Legislation is a significant driver of market participants' technology spending. The regulatory move to change the US's existing three-day equities settlement cycle (T+3) to two days (T+2) is gaining momentum. Any shortening of the settlement cycle is likely to place significant stress on older technology systems to meet the 2017 timeframe.

In Europe, where the economic environment remains constrained, GBST has entered into a distribution arrangement with a leading technology company to market its financial transaction tax software solution, Syn~FTT. This product, which already is in place at a leading US global investment bank, assists capital markets participants to process equities trades in compliance with tax regimes across multiple asset classes, business lines and geographies.

During the first half, GBST continued to invest significantly in R&D to strengthen the GBST Syn~ capability as a common technology platform for use across the world. The Company's technology development centre at Ho Chi Minh City now employs more than 45 staff working on capital markets products, and these are expected to double over the next year.

## GBST Financial Services

Half-year to 31 December	2014 \$000's	2013 \$000's	% Change
Revenue	1,490	1,754	(15)
Operating EBITDA	(13)	(398)	97

GBST's Emu Design supports group operations in Australia and UK, providing specialist web expertise for post-trade equity trading and settlement products, financial services products and e-commerce platforms, as well as its own independent customer base.

Revenue in the first half of FY2015 was \$1.5 million, an increase in the run rate from the second half of FY2014 when delays in multiple contracts impacted sales. Following last years' loss, operating EBITDA has returned to break-even and further improvement is expected in the second half.

Work has commenced on a number of projects in the financial services sector both in Australia and the UK.

Increasingly, Emu Design's commercial contracts involve greater integration of payment platforms as more financial services companies strengthen their online presence.

In Australia, Emu Design focused on securing longer-term contracts. The Company won three new e-commerce projects, contributing to ongoing annuity revenue. It also upgraded clients on to new technology platforms capable of processing significant e-commerce transactions.

Emu Design maintained investment in research and development, particularly 'whole out of the box' products for financial services planners and advisers. These integrated platforms provide financial modelling, calculators, customer engagement and acquisition products and applications.

## Financial position

Net assets have increased by \$5.6 million to \$58.9 million (June 2014: \$53.3 million). Senior debt as at 31 December 2014 was fully repaid, compared to \$5.0 million at 30 June 2014. GBST's net debt reduced from \$3.6 million to a net cash position of \$2.8 million over the same period.

## Significant changes in state of affairs

As at the reporting date, GBST has on issue 66,561,725 ordinary shares. During the period 445,491 (Dec 2013: 514,536) performance rights were issued to selected employees under the GBST Performance Rights and Option Plan which are subject to performance criteria.

No other significant changes in the state of affairs of the Group occurred during the financial year, other than those disclosed in this report.

## Lead Auditor's Independence Declaration

The lead Auditor's independence declaration can be found on the page following this Directors' report and forms part of the Directors' report for the six months ended 31 December 2014.

## Rounding

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors:



.....  
**Dr J F Puttick**  
Chairman



.....  
**Mr S M L Lake**  
Managing Director and Chief Executive Officer

Dated at Brisbane this 13th day of February 2015



***Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001***

To: the directors of GBST Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Stephen Board  
Partner

Brisbane  
13 February 2015

# Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2014

	Note	31 Dec 2014 \$'000	31 Dec 2013 \$'000
Revenue from license and support sales		32,168	28,590
Revenue from sponsored work		22,188	19,310
Revenue from sale of third party product		1,096	868
<b>Total revenue</b>		<b>55,452</b>	<b>48,768</b>
Other income		205	188
<b>Total revenue and other income</b>		<b>55,657</b>	<b>48,956</b>
Product delivery and support expenses		(37,661)	(34,668)
Property and equipment expenses		(5,524)	(5,493)
Corporate and administrative expenses		(3,717)	(2,779)
<b>RESULTS FROM OPERATING ACTIVITIES</b>		<b>8,755</b>	<b>6,016</b>
Finance costs		(126)	(543)
Finance income		151	159
Net finance costs		25	(384)
<b>PROFIT BEFORE INCOME TAX</b>		<b>8,780</b>	<b>5,632</b>
Income tax expense	3	(1,835)	(1,239)
<b>PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY</b>		<b>6,945</b>	<b>4,393</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences arising on translation of foreign operations		926	2,392
<i>Total items that may be reclassified subsequently to profit or loss</i>		<b>926</b>	<b>2,392</b>
<b>Other comprehensive (loss)/income for the half-year, net of income tax</b>		<b>926</b>	<b>2,392</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY</b>		<b>7,871</b>	<b>6,785</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)		10.43	6.60
Diluted earnings per share (cents)		10.43	6.60

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated Statement of Financial Position as at 31 December 2014

	Note	31 Dec 2014 \$'000	30 Jun 2014 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		3,256	2,339
Trade and other receivables		16,237	16,558
Inventories and work in progress		1,759	650
Current tax receivable		3	11
Other assets		2,326	1,582
<b>Total Current Assets</b>		<b>23,581</b>	<b>21,140</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		6,651	7,091
Intangible assets	5	55,227	56,548
Deferred tax assets		7,160	6,669
Other assets		94	68
<b>Total Non-Current Assets</b>		<b>69,132</b>	<b>70,376</b>
<b>TOTAL ASSETS</b>		<b>92,713</b>	<b>91,516</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		8,394	7,413
Loans and borrowings	6	380	657
Current tax liabilities		688	1,231
Provisions		5,518	5,000
Unearned income		11,440	11,115
<b>Total Current Liabilities</b>		<b>26,420</b>	<b>25,416</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables		2,739	2,878
Loans and borrowings	6	95	5,251
Deferred tax liabilities		2,340	2,519
Provisions		2,263	2,171
<b>Total Non-Current Liabilities</b>		<b>7,437</b>	<b>12,819</b>
<b>TOTAL LIABILITIES</b>		<b>33,857</b>	<b>38,235</b>
<b>NET ASSETS</b>		<b>58,856</b>	<b>53,281</b>
<b>EQUITY</b>			
Issued capital	7	37,664	37,664
Reserves		(731)	(2,356)
Retained earnings		21,923	17,973
<b>TOTAL EQUITY</b>		<b>58,856</b>	<b>53,281</b>

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2014

	Issued Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation Reserve (a) \$'000	Equity Remuneration Reserve (b) \$'000	Total \$'000
<b>Balance at 1 July 2013</b>	37,664	12,934	(5,229)	230	45,599
<b>Total comprehensive income for the half-year</b>					
Profit for the half-year	-	4,393	-	-	4,393
<b>Other comprehensive income</b>					
Exchange differences arising on translation of foreign operations	-	-	2,392	-	2,392
<b>Total other comprehensive loss</b>	-	-	2,392	-	2,392
<b>TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR</b>	-	4,393	2,392	-	6,785
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Dividends paid (Note 4)	-	(2,330)	-	-	(2,330)
Share based payments- options	-	-	-	350	350
<b>Total contributions by owners</b>	-	(2,330)	-	350	(1,980)
<b>Total transactions with owners</b>	-	(2,330)	-	350	(1,980)
<b>BALANCE AT 31 DECEMBER 2013</b>	37,664	14,997	(2,837)	580	50,404

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Statement of Changes in Equity for the Half-year Ended 31 December 2014 (continued)

	Issued Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation Reserve (a) \$'000	Equity Remuneration Reserve (b) \$'000	Total \$'000
<b>Balance at 1 July 2014</b>	<b>37,664</b>	<b>17,973</b>	<b>(3,284)</b>	<b>928</b>	<b>53,281</b>
<b>Total comprehensive income for the half-year</b>					
Profit for the half-year	-	6,945	-	-	6,945
<b>Other comprehensive income</b>					
Exchange differences arising on translation of foreign operations	-	-	926	-	926
<b>Total other comprehensive income</b>	-	-	926	-	926
<b>TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR</b>	-	6,945	926	-	7,871
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Dividends paid (Note 4)	-	(2,995)	-	-	(2,995)
Share based payments- performance rights	-	-	-	699	699
<b>Total contributions by and distributions to owners</b>	-	(2,995)	-	699	(2,296)
<b>Total transactions with owners</b>	-	(2,995)	-	699	(2,296)
<b>BALANCE AT 31 DECEMBER 2014</b>	<b>37,664</b>	<b>21,923</b>	<b>(2,358)</b>	<b>1,627</b>	<b>58,856</b>

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2014 (continued)

- (a) The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.
- (b) The equity remuneration reserve is used to record items recognised as expenses on valuation of employee share/options/performance rights granted. When options/performance rights are exercised, cancelled or forfeited the amount in the reserve relating to those options/performance rights is transferred to issued capital.

**The accompanying notes are an integral part of these consolidated financial statements**

# Consolidated Statement of Cash Flows for the Half-Year Ended 31 December 2014

	Note	31-Dec-14 \$'000	31-Dec-13 \$'000
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		61,519	51,368
Payments to suppliers and employees		(48,630)	(41,696)
Interest income		3	10
Sundry income		205	188
Finance costs paid		(67)	(523)
Income tax paid		(2,812)	(2,517)
<b>Net cash provided by operating activities</b>		<b>10,218</b>	<b>6,830</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of plant and equipment		-	1
Purchase of plant and equipment		(521)	(1,321)
Purchase of software intangibles		(466)	(1,146)
Deferred consideration received		-	1,463
<b>Net cash used in investing activities</b>		<b>(987)</b>	<b>(1,003)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of finance leases		(458)	(502)
Repayment of borrowings		(5,034)	(4,001)
Dividends paid	4	(2,995)	(2,330)
<b>Net cash used in financing activities</b>		<b>(8,487)</b>	<b>(6,833)</b>
<b>Net decrease in Cash and Cash Equivalents</b>		<b>744</b>	<b>(1,006)</b>
Effect of exchange rate fluctuations on cash held		173	(198)
Cash and cash equivalents at 1 July		2,339	3,505
<b>Cash and cash equivalents at 31 December</b>		<b>3,256</b>	<b>2,301</b>

The accompanying notes are all an integral part of these consolidated half-year financial statements.

# Notes to and forming part of the Condensed Consolidated Half-Year Financial Statements for the Period Ended 31 December 2014

## Note 1: Reporting Entity

GBST Holdings Limited (“GBST” or the “Company”) is the Group’s parent Company. The Company is a public Company limited by shares, incorporated and domiciled in Australia. The condensed consolidated half-year financial report of the Company as at and for the half-year ended 31 December 2014 comprises the Company and its controlled entities (together referred to as the “Group” and individually as the “Group entities”).

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2014 is available at [www.gbst.com](http://www.gbst.com) or upon request from the Company’s registered office at:

GBST Holdings Limited  
c/- McCullough Robertson  
Level 11, Central Plaza Two  
66 Eagle Street  
BRISBANE QLD 4000

## Note 2: Basis of Preparation

### Statement of compliance

The condensed consolidated half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act (2001)* and AASB 134: *Interim Financial Reporting*. It does not include full disclosure of the type normally included in an annual financial report.

The accounting policies applied by the Group in this consolidated half-year financial report are the same as those applied by the Group in its consolidated financial report, as at and for the year ended 30 June 2014.

This consolidated half-year financial report was authorised for issue in accordance with a resolution of Directors on 13th February 2015.

### Basis of measurement

The consolidated half-year financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

For the purpose of preparing the half-year financial report, the sixth month period has been treated as a discrete reporting period.

## Note 2: Basis of Preparation (continued)

### **Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The condensed consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

### **Comparative figures**

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial period. Details of any such changes are included in the financial report.

### **Use of estimates and judgments**

The preparation of interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2014.

### Note 3: Income Tax Expense

	<b>GBST Group</b>	
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>\$'000</b>	<b>\$'000</b>
The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
Profit before tax	<b>8,780</b>	5,632
Prima facie tax payable/(receivable) at 30%	<b>2,634</b>	1,690
Adjust for tax effect of:		
Research & development expenditure claim	<b>(1,503)</b>	(1,272)
Recoupment of temporary differences not previously taken up	-	(87)
(Over)/under provision in respect of prior years	<b>61</b>	60
Recognition of previously unrecognised tax losses	-	(2)
Current half-year losses for which no deferred tax asset was recognised	<b>512</b>	782
Other non-allowable items (net)	<b>155</b>	196
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b>(24)</b>	(128)
<b>Income tax expense attributable to entity</b>	<b>1,835</b>	1,239
Weighted average effective tax rates:	<b>21%</b>	22%

The weighted average effective consolidated tax rate for the half-year ended 31 December 2014 is 21% (December 2013: 22%) primarily due to the benefit of Research and Development tax concessions in Australia and the United Kingdom (UK). In addition, the UK tax rate is due to decrease to 20% from 1 April 2015 (December 2013: 23%), and has been factored into the calculations as a blended rate.

There is no tax recognised in other comprehensive income within the current period or prior period.

#### Note 4: Dividends

	GBST Group	
	31 Dec 2014	31 Dec 2013
	\$'000	\$'000
<i>Dividend paid in the period:</i>		
2014 final fully franked (at 30%) dividend paid of 4.5 cents per share (December 2013: 3.5 cents per share)	2,995	2,330
<b>Net dividend paid</b>	<b>2,995</b>	<b>2,330</b>

After the reporting date the Directors recommended an interim dividend of 5.0 cents per share to be paid to the holders of fully paid ordinary shares. The dividend will be 100% franked and will be paid on 23 April 2015.

#### Note 5: Intangible Assets

	GBST Group	
	31 Dec 2014	30 Jun 2014
	\$'000	\$'000
<b>At Cost</b>		
Software systems	43,613	42,234
Accumulated amortisation	(29,334)	(26,565)
<b>Net carrying value</b>	<b>14,279</b>	<b>15,669</b>
<b>Customer contracts</b>		
Customer contracts	13,069	12,820
Accumulated amortisation	(13,069)	(12,820)
<b>Net carrying value</b>	<b>-</b>	<b>-</b>
<b>Goodwill</b>		
Goodwill	46,716	46,036
Accumulated impairment losses	(5,941)	(5,657)
<b>Net carrying value</b>	<b>40,775</b>	<b>40,379</b>
<b>Leased software at cost</b>		
Leased software at cost	451	1,916
Accumulated amortisation	(278)	(1,416)
<b>Net carrying value</b>	<b>173</b>	<b>500</b>
<b>Total intangibles</b>	<b>55,227</b>	<b>56,548</b>

## Note 5: Intangible Assets (continued)

### Impairment Disclosures

At 31 December 2014 the Group considered whether there was an indication based on both internal and external sources of information, that any of the Groups assets or CGUs may be impaired. No indicators of impairment were identified in each of the four CGU's presented in the consolidated annual report of the Group for the year ended 30 June 2014 and as a result these CGU's have not been tested for impairment at 31 December 2014. The annual impairment testing over these CGUs will be performed at 30 June 2015.

## Note 6: Loans and Borrowings

	<b>GBST Group</b>	
	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Commercial loan facility (secured)	7	7
Finance lease liability	373	650
	<b>380</b>	<b>657</b>
<b>Non-Current</b>		
Senior bank facility (secured) (a)	-	4,971
Commercial loan facility (secured)	25	29
Finance lease liability	70	251
	<b>95</b>	<b>5,251</b>

- (a) The senior bank facility (provided by the Commonwealth Bank) was repaid during the period. The remaining facilities are secured by fixed and floating charges over the operating companies within the Group.

## Note 7: Issued Capital

	GBST Group	
	31 Dec 2014	30 Jun 2014
	\$'000	\$'000
66,561,725 (30 June 2014: 66,561,725) fully paid ordinary shares	37,664	37,664
	<b>37,664</b>	<b>37,664</b>
<b>Ordinary Shares</b>	<b>No.</b>	<b>No.</b>
Opening balance	66,561,725	66,561,725
	<b>66,561,725</b>	<b>66,561,725</b>

Ordinary shares participate in dividends, and the proceeds of winding up of the parent entity in proportion to the number of shares held should that event occur. At shareholders' meetings each ordinary share is entitled to one vote.

The Company does not have an amount of authorised capital or par value in respect of its issued shares.

### Options and Performance Rights

For details on performance rights over ordinary shares, see Note 9.

## Note 8: Operating Segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the CEO reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

**Capital Markets Australia** offers the GBST Shares and derivatives platform which is the country's most widely used middle-office and back-office equities and derivatives system.

**Capital Markets International** through the GBST Syn~ platform, provides new-generation technology to process equities, derivatives, fixed income and managed funds transactions for global capital markets.

**Wealth Management** through the GBST Composer platform, provides end to end funds administration and management software to the wealth management industry, both in Australia and the United Kingdom. It offers an integrated system for the administration of wrap platforms, including individual savings accounts (ISA's), pensions, self-invested personal pension (SIPP) and superannuation; as well as master trusts, unit trusts, risk and debt; and other investment assets. Other GBST products provide technology hub solutions; and data analytics and quantitative services for the measurement of portfolio performance.

**Financial Services** incorporating Emu Design, provides independent financial data and digital agency services for interactive website design, development, hosting, e-commerce platforms, and mobile and social networking solutions.

### Reportable Segments

	Capital Markets Australia		Capital Markets International		Wealth Management		Financial Services		Eliminations		GBST Group	
	31-Dec-14	31 Dec 2013	31-Dec-14	31 Dec 2013	31-Dec-14	31 Dec 2013	31-Dec-14	31 Dec 2013	31-Dec-14	31 Dec 2013	31-Dec-14	31 Dec 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>												
Revenue from external customers	15,118	14,844	5,143	6,395	33,701	25,775	1,490	1,754	-	-	55,452	48,768
Other income from external customers	7	-	88	128	110	60	-	-	-	-	205	188
Inter-segment revenues*	-	204	-	-	-	-	43	59	(43)	(263)	-	-
<b>Total segment revenue</b>	<b>15,125</b>	<b>15,048</b>	<b>5,231</b>	<b>6,523</b>	<b>33,811</b>	<b>25,835</b>	<b>1,533</b>	<b>1,813</b>	<b>(43)</b>	<b>(263)</b>	<b>55,657</b>	<b>48,956</b>
<b>Operating EBITDA</b>	<b>5,114</b>	<b>5,303</b>	<b>(2,073)</b>	<b>(820)</b>	<b>9,294</b>	<b>5,341</b>	<b>(13)</b>	<b>(398)</b>	<b>-</b>	<b>-</b>	<b>12,322</b>	<b>9,426</b>
Depreciation and amortisation of segment assets	(935)	(923)	(1,105)	(1,424)	(1,473)	(1,258)	(54)	(68)	-	-	(3,567)	(3,673)
<b>Segment result</b>	<b>4,179</b>	<b>4,380</b>	<b>(3,178)</b>	<b>(2,244)</b>	<b>7,821</b>	<b>4,083</b>	<b>(67)</b>	<b>(466)</b>	<b>-</b>	<b>-</b>	<b>8,755</b>	<b>5,753</b>
Unallocated revenue/(expenses)**											-	263
<b>Net finance costs</b>											<b>25</b>	<b>(384)</b>
<b>Profit before income tax</b>											<b>8,780</b>	<b>5,632</b>
<b>Income tax expense</b>											<b>(1,835)</b>	<b>(1,239)</b>
<b>Profit after income tax</b>											<b>6,945</b>	<b>4,393</b>
<b>Capital expenditure</b>	<b>184</b>	<b>2,173</b>	<b>51</b>	<b>51</b>	<b>690</b>	<b>1,684</b>	<b>3</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>928</b>	<b>3,940</b>
<b>Segment total assets</b>	<b>28,379</b>	<b>19,548</b>	<b>20,903</b>	<b>23,315</b>	<b>43,929</b>	<b>48,710</b>	<b>(498)</b>	<b>443</b>	<b>-</b>	<b>-</b>	<b>92,713</b>	<b>92,016</b>
<b>Segment total liabilities</b>	<b>12,788</b>	<b>15,309</b>	<b>5,910</b>	<b>15,465</b>	<b>14,509</b>	<b>10,238</b>	<b>650</b>	<b>600</b>	<b>-</b>	<b>-</b>	<b>33,857</b>	<b>41,612</b>

\* Inter-segment revenue received by Capital Markets International (CMI) from Capital Markets Australia (CMA) of \$800 thousand (2013: \$800 thousand) for use of intangible assets is not included to align with reporting to CEO. In addition, software development work charges are not included for work received by CMA from CMI of \$951 thousand and for work received by CMI from CMA \$158 thousand. Inter-segment revenue with an associated direct external cost (typically direct labour costs) are included.

\*\* 2013 amount is net of a recovery of legal expenses previously expensed.

## Note 8: Operating Segments (continued)

	Segment Revenues from External Customers		Carrying Amount of Segment Non-Current Assets	
	31-Dec-14	31 Dec 2013	31-Dec-14	31 Dec 2013
	\$'000	\$'000	\$'000	\$'000
<i>Geographical Location:</i>				
Australia	26,630	26,195	43,988	47,536
Europe	24,895	17,466	17,779	18,024
Asia	3,509	2,786	198	178
North America	418	2,321	8	1,031
	<b>55,452</b>	<b>48,768</b>	<b>61,973</b>	<b>66,769</b>

**Information about Geographical Areas**

The consolidated Group's operating segments are managed in Australia. Capital Markets Australia and Financial Services have operations and customers in Australia, Wealth Management has operations and customers in Australia and Europe, and Capital Markets International has operations and customers in Europe, North America and Asia. Capital Markets Australia also has a customer in New Zealand and customers in Asia from sales to Australian entities.

**Accounting Policies**

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do include deferred income taxes.

**Intersegment Transfers**

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the Group at an arm's length. These transfers are eliminated on consolidation.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since the prior reporting period.

## Note 9: Share Based Payments

To assist in the attraction, retention and motivation of employees, the Company operates a Performance Rights and Option Plan.

Share based payments entered into in the half-year are detailed below.

### Share Performance Rights

At the Company's 2012 annual general meeting the GBST Performance Rights and Option Plan was approved by shareholders.

Under the plan select staff are made individual offers of specific numbers of share performance rights at the discretion of the Board. The Board may determine the number of share performance rights, vesting conditions, vesting period, exercise price and expiry date. Share performance rights may be granted at any time, subject to the *Corporations Act* and ASX Listing Rules.

In addition to the performance rights issued in 2012 and 2013 financial years disclosed in the consolidated annual report of the Group as at and for the year ended 30 June 2014, the Group has issued the following performance rights in the current period:

On 5 August 2014, the Group issued 345,005 performance rights to selected employees. There is a nil exercise price and the share performance rights vest in thirty-six months after the date of grant or the date of release of GBST's financial results for the 2017 financial year, whichever is later. The share performance rights expire thirty days after the vesting date. The share performance rights are conditional on the employees meeting continuous service conditions and the Group meeting certain financial performance measures.

Furthermore, on 16 October 2014 following shareholder approval at the Company's AGM, the Group issued 100,486 performance rights to Mr Stephen Lake, Managing Director. The terms and conditions relating to the issue to Mr Lake are the same as the issue dated 5 August 2014.

## Note 9: Share Based Payments (continued)

The performance criteria associated with the grant of share performance rights during the current period under the GBST Performance Rights and Option Plan are summarised below:

### PERFORMANCE CRITERIA

Grant Date	Financial Performance hurdle
<b>5 August 2014*</b> and <b>16 October 2014**</b>	<p>Cumulative Earnings Per Share (EPS) Target</p> <ul style="list-style-type: none"> <li>• Subject to GBST achieving three year (2014 – 2016 financial years) cumulative EPS targets of 45 cents, 50 cents, and 60 cents for 25%, 50% and 100% vesting respectively (interpolated).</li> </ul> <p>Minimum EPS</p> <ul style="list-style-type: none"> <li>• A minimum EPS of 10 cents is achieved in each year</li> </ul> <p>Service Condition</p> <ul style="list-style-type: none"> <li>• Continuous employment with the Group from grant date for three years.</li> </ul>

\*The fair value of the share performance rights of \$3.28 each was determined using the Binomial Approximation Option Valuation Model. The model inputs were: the share price at date of grant \$3.52, expected volatility of 45 percent, expected dividend yield of 2.298 percent, a term of three years and a risk-free interest rate of 2.62 percent. The exercise price for the share performance rights is nil.

\*\* The fair value of the share performance rights of \$3.43 each was determined using the Binomial Approximation Option Valuation Model. The model inputs were: the share price at date of grant \$3.67, expected volatility of 45 percent, expected dividend yield of 2.312 percent, a term of three years and a risk-free interest rate of 2.46 percent. The exercise price for the share performance rights is nil.

Note 9: Share Based Payments (continued)

**Movement in Share Performance Rights**

The following table illustrates the number, weighted average exercise price (WAEP) and movement in share performance rights under the Share Performance Rights Scheme issued during the period.

	<b>Dec 2014 Number</b>	<b>Dec 2014 WAEP</b>	<b>Dec 2013 Number</b>	<b>Dec 2013 WAEP</b>
Outstanding at the beginning of the period	<b>1,832,383</b>	-	1,314,636	-
Granted during the period	<b>445,491</b>	-	514,536	-
Forfeited during the period	<b>(34,875)</b>	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	<b>2,242,999</b>	-	1,829,172	-
Exercisable at the end of the period	-	-	-	-

No person entitled to exercise any performance right had or has any right by virtue of the performance right to participate in any share issue of any other body corporate.

#### Note 10: Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

#### Note 11: Subsequent Events

The financial report was authorised for issue on 13 February 2015 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial half-year which significantly affected or may significantly affect operations of GBST, the results of those operations, or the state of affairs of GBST in future financial years.

# Directors' Declaration

In the opinion of the Directors of GBST Holdings Limited ('the Company'):

- a) the condensed consolidated financial statements and notes set out on pages 14 to 31 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



.....  
**Dr J F Puttick**  
Chairman



.....  
**Mr S M L Lake**  
Managing Director and Chief Executive Officer

Dated at Brisbane this 13th day of February 2015



## **Independent auditor's review report to the members of GBST Holdings Limited**

We have reviewed the accompanying half-year financial report of GBST Holdings Limited ("the Company"), which comprises the consolidated statement of financial position as at 31 December 2014, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### *Directors' responsibility for the half-year financial report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of GBST Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GBST Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Stephen Board  
Partner

Brisbane  
13 February 2015