



ASX Announcement

13 October, 2015

Market update

GBST (ASX: GBT), which provides software for capital markets and wealth administration through its GBST Syn~, GBST Shares and GBST Composer platforms, today provides an earnings update for FY16 following temporary delays to client projects in Australia, Asia and the United Kingdom.

As the timing of commencing projects, 'go-live' dates and contract wins are difficult to predict, GBST does not generally give earnings guidance. However, with recent changes in timing of revenue and variances with current analyst forecasts, GBST provides the following update.

The company expects EBITDA to be within the range of \$7.0 million to \$9.0 million for 1H FY16, and in the range of \$12.0 million to \$14.0 million for 2H FY16. This compares with 1H FY15 EBITDA of \$12.3 million and 2H FY15 EBITDA of \$12.2 million. This guidance for 1H FY16 does not include any recruitment costs for the new CEO and final payments due to the outgoing CEO which are still being negotiated.

GBST Managing Director, Stephen Lake said: "We have experienced temporary delays in major client projects while increasing costs across our businesses to manage anticipated growth.

"While recurring license revenue continues to grow, our challenge has been managing the timing of new implementations which provide service revenue and the capacity necessary to complete them. These activities are necessary steps before software goes 'live' and annuity licence revenue commences.

"UK wealth management projects, with existing clients expected to begin in this half will now start in the second half; and a significant Australasian wealth management project has also been deferred to start in early 2016.

"While our Australian capital markets business had a strong first quarter and is expected to report an improved first half result, the performance of our international capital markets business has also been affected by delays to projects which are now due to begin in the second and third quarters.

"We maintain strong relationships with our clients and expect all of these projects to progress. We anticipate a stronger second half and, with several new business proposals underway, are well positioned to take advantage of market opportunities and resume growth in FY17."

GBST maintains a strong balance sheet and a positive cash flow. The company is actively pursuing new opportunities in all regions and has a strong pipeline of new business in both wealth management and capital markets.

- Ends -

About GBST

GBST provides technology services to the financial services industry. The group comprises two divisions:

- **GBST Wealth Management** through the Composer platform provides funds administration and registry software to the wealth management industry, both in Australia and the United Kingdom. It offers an integrated system for the administration of wrap platforms, master trusts, superannuation, pensions, risk and debt.
- **GBST Capital Markets** through the Syn~ platform provides new-generation technology to process equities, derivatives, fixed income and managed funds transactions to global capital markets. In Australia, GBST also offers the GBST Shares platform which is the country's most widely-used middle- and back-office system.

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