



**RISK TECHNOLOGIES**

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Wednesday 12 August, 2009

## RAZOR RISK TECHNOLOGIES RELEASES FULL YEAR RESULTS

### Highlights

Razor Risk Technologies Limited (ASX:RZR) today released its audited financial results for the 12 months ended 30 June 2009.

#### Key financial points

- Revenue up 40% to \$18.3m (FY08 \$13.1m)
- Net profit after tax of \$1.46m (FY08 loss of \$5.9m)
- Gross margins up to 43% (FY08 15%)
- Non-recurring items in excess of \$0.5m, including bad debts (Timbercorp), costs in exiting AIM and the marketing costs associated with the change in company name fully expensed
- Cash and cash equivalents exceed \$3.1m (FY08 \$1.6m)
- Company operates without any debt
- Over 30% of the company's equity is held by Directors and employees


### Overview

Ellis Bugg, Chairman of Razor Risk Technologies, said: "Today's results affirm the decisions Razor Risk Technologies has made during the course of the last year. We have witnessed significant changes in the markets in which we operate and we have acted swiftly to adjust our business and implement a strategy that is taking us forward positively.

"We made important changes to significantly strengthen the financial position and operating framework of the business. Our restructuring early in the financial year ensured appropriate cost control whilst allowing prudent investments in product development, sales and marketing.

"Our realistic assessment of the market means that the executive team, under our new Chief Executive Officer, Andrew Wood, is well advanced in delivering on our strategy to refocus our business on the core Razor product, whilst applying more rigour and discipline across all operations.

"The improvement in the gross margin validates the strategy we presented at the Annual General Meeting, last November. In addition to enhanced cost management new business revenue during the second half of the year was generated from both new clients and the existing customer base. In response, we have increased our headcount to keep pace with the incremental revenue opportunities in Australia and overseas that are now being presented.



“Our balance sheet has been significantly strengthened and we have generated strong positive operational cash flow. The company operates without any debt, with the directors and current executive team electing to transfer loans made in 2007-08 into equity.”

Andrew Wood, Chief Executive Officer, Razor Risk Technologies, said: “Our focus has been on strengthening our financial capability to manage through the current economic climate. We will continue to implement a prudent approach that balances the need for ongoing acceptable levels of short term profitability, with the investment necessary to best position us to take advantage of the market demand.

“Our ongoing product development is focused on delivering the significant speed of performance to calculate and manage risk that our clients in all global markets are demanding. The superiority of Razor’s real time risk management offering and the experience of our consultants, means that we are well positioned to deliver the solutions our clients demand.

“The global financial crisis has demonstrated that traditional risk management systems and the use of legacy technology has not been sufficient to cope with either the growth of capital markets or the changing regulatory environment. As a result, we are seeing new market forces drive demand from financial institutions across all global regions for greater and more effective risk measurement and control systems.”

#### **Outlook**

Ellis Bugg, Chairman, Razor Risk Technologies, said: “Current global market conditions are likely to continue in the short term, but we are confident that, given the events surrounding the global financial crisis, the requirement for organisations globally to implement more effective and proven risk management products will continue to grow.

“Like many companies in this environment, we are witnessing a period of slower decision making within our client base. However, we are winning new business across global regions and continue to see growth in the sales pipeline and the value of these opportunities. The Board feels that the company’s financial position is significantly stronger than a year ago and we are well placed to take advantage of future opportunities.

“As advised in our recent trading update, the move to full year profitability and positive cash flow are important steps for Razor Risk Technologies in delivering long term profitability and providing value to investors. The company is confident in its strategy and is moving to a position where shareholders will be rewarded for their support.”

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#### **About Razor Risk Technologies Limited**

Razor Risk Technologies was created in response to the complex issues surrounding risk management. The company’s Razor product has helped transform the way Banks, Hedge Funds, Brokers, Central Clearing Counterparties and Stock Exchanges in many countries, measure their risk and manage their capital.

Razor Risk Technologies is a public company listed on the Australian Stock Exchange. We have offices in London, New York, Sydney and Melbourne offering a highly skilled team of specialists who provide Razor based services across the financial markets and risk management business areas. We have successfully completed installations in many different countries. Our proven implementation and support methodology supports an efficient, low-cost, low-risk implementation allowing a firm to maximise optimal risk and reward. For more information, please visit Razor Risk Technologies at [www.razor-risk.com](http://www.razor-risk.com).

