

# NEXBIS LIMITED



## Annual General Meeting

30 November 2010



[www.nexbis.com.au](http://www.nexbis.com.au)

# Important Notice

This presentation has been prepared by and issued by Nexbis Limited (“NBS”) to assist it in informing interested parties about the Company. It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this presentation.

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**WELCOME FROM CHAIRMAN**

# Board Profiles

## **Datuk IR (Dr) Al Amin Majid** Chairman

Datuk Ir (Dr) Al Amin Majid qualified with a Diploma In Technology from Oxford College of Further Education and also holds a degree in Bachelor of Science in Civil Engineering from University of Aston, Birmingham, United Kingdom. He is also the corporate Member of Institute of Engineers (IEM) Malaysia and a Professional Engineer (PE).

He currently holds various positions in listed companies, including Executive Chairman of Country View Berhad, as Chairman of Nylex (M) Berhad and as Director of Ancom Berhad and MCIS Zurich Insurance Sdn Bhd. He was appointed Chairman of Small and Medium Industries Development Corporation (SMIDEC), a government agency under the Ministry of International Trade & Industry – an important agency in the development and enhancement of small and medium enterprises in Malaysia since 2006.

Datuk Ir (Dr) Al Amin Majid is also the President of Aston University Alumni Association of Malaysia which was formed in 2007. He was recently conferred an Honorary Doctorate Degree – Doctor of science from Aston University, UK.

## **Dato' Sri Johann Young** Chief Executive Officer

Johann has over 21 years of solid business, technical and operational experience in the IT and telecommunications industry. He has successfully built IT telecoms businesses in Asia Pacific and Europe. He spent several years with Orange and Hutchison including during the launch of Orange PCS in the UK in 1994 and as Director of Asia for Orange World, prior to which he was Launch Director of Orange Thailand and was instrumental in the success of its launch. Prior to Nexbis, Johann was COO of DOCOMO interTouch. He has held several board positions including in TA Orange, iNet, DOCOMO interTouch, GSL PLC (HK) and Sapio. He is a Business Finance graduate and holds a Master of Science degree in Business Systems Analysis and Design from City University of London.

# Board Profiles

## Peter Dykes

Chief Financial Officer & Company Secretary

Peter has over 16 years of experience in the technology industry, advising some of Australia's largest corporate clients, including BHP Billiton, Boral and Telstra and also small startup companies in respect of their research and development and commercialization efforts. Peter is a Fellow of the Tax Institute of Australia and has an accounting/commerce degree. He spent a number of years with KPMG, and was a founding member of KPMG's technology advisory practice in Melbourne and Sydney before setting up his own technology consulting firm. He is Nexbis' Chief Financial Officer, Company Secretary and is also an Executive Director.

## Andrew Hamilton

Non-Executive Director

Andrew has had a long and distinguished career in management consulting and program management in Asia, the Middle East and Europe and is currently Head of Operations Consulting at PricewaterhouseCoopers, Thailand. He was formerly a partner with Grant Thornton.

He has worked across the telecommunications, government, financial services, oil and gas and manufacturing sectors. Andrew has previously held regional management roles with Bechtel, KPMG and Bearing Point South East Asia. He has been based in Asia for the last 16 years.

# Board Profiles

## Robert Whitton

### Non-Executive Director

Robert has had a longstanding and successful career as a chartered accountant and business advisor. A specialist in business advisory services and Fellow of the Institute of Chartered Accountants, Robert has more than 25 years experience gained across a range of accountancy firms, mostly recently as a Director of William Buck, Chartered Accountants and Advisors in Sydney, Australia.

Graduating with a Bachelor of Business (Accountancy), Robert holds a range of qualifications including a Graduate Certificate in Forensic Studies (Accounting) and is a Certified Fraud Examiner.

He is also a Member of the Australian Institute of Management, the Institute of Company Directors and Insolvency Practitioners Association of Australia. Robert is Chairman of life sciences company, Fermiscna Holdings Limited. He also has a genuine passion for agriculture and is the current Chairman of The Wine Society (elected to the role in December 2007). He is also a Product Member of the NSW Farmers Federation and a Member of the Angus Society of Australia.

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Formal Business

# Receive and Consider Financial Reports



## Resolution 1 – Adoption of Remuneration Report

**“That the Remuneration Report for the year ended 30 June 2010 included in in pages 52 to 56 of the Annual Report be adopted”.**

**Note:** In accordance with section 250R(3) of the Corporations Act, the votes cast in respect of this Resolution are advisory only and do not bind the Company or its Directors.

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## Resolution 2 – Re-election of Andrew Hamilton

**“That Andrew Hamilton, having retired from office at the termination of this Annual General Meeting as a Director in accordance with rule 8.2 of the Constitution and, being eligible and having offered himself for re-election, be re-elected as a Director”.**

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## Resolution 3 – Re-election of Robert Whitton

**“That Robert Whitton, having retired from office at the termination of this Annual General Meeting as a Director in accordance with rule 8.2 of the Constitution and, being eligible and having offered himself for re-election, be re-elected as a Director”.**

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## Resolution 4 – Re-election of Johann Young

**“That Johann Young, having retired from his office as a Director in accordance with rule 5.1 of the Constitution and, being eligible and having offered himself for re-election, be re-elected as a Director”.**

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## Resolution 5 – Ratification of prior issue of Shares under the Placement

**“That, for the purposes of ASX listing Rule 7.4 and for all other purposes, shareholders ratify and approve the prior issue of 64,909,514 ordinary shares in the Company under the Placement dated 11 March 2010 on the terms set out in the Explanatory Memorandum accompanying the Notice convening this Annual General Meeting”.**

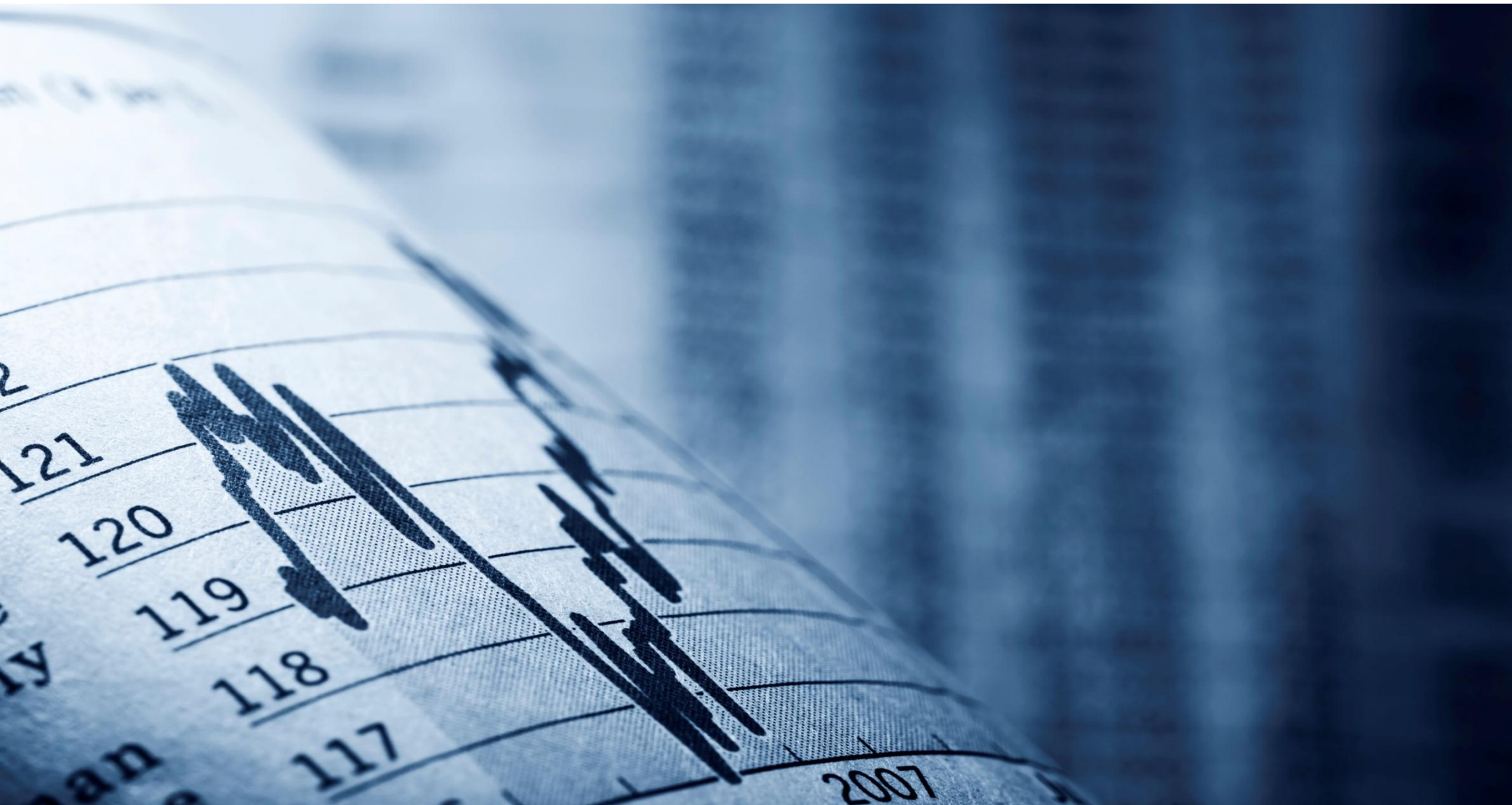
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## Resolution 6 – Amendment to the Constitution – Source of dividends

**“That, for the purposes of section 136(2) of the Corporations Act 2001, and for all other purposes, the Constitution comprising the document tabled at the Annual General Meeting and signed by the Chairman of the meeting for the purposes of identification, be amended as shown in Section D to the Notice convening this Annual General Meeting”.**

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# CEO'S ADDRESS



# FY10 Performance Review



# FY10 Overview

\$ '000	FY09 (year ended 30 June 2009)	FY10 (year ended 30 June 2010)	% Changed
Revenue	65,712	2,438	(96%)
NPAT	45,785	(49,574)	(208%)
Net Assets	120,465	77,155	(36%)
Total Cash	9,207	10,196	11%
Operating Cash Flow	11,867	23,000	94%

# FY10 Performance Summary

## LOSS

- Normalised cash loss of \$10.498m
- Net Loss After Tax of \$49.574m
  - Due to the following NON-CASH ITEMS: write down of intangibles (\$0.300m), provisions for impairments (\$22.041m), depreciation/amortisation (\$12.136m) and write off of doubtful debts (\$4.724m) and option income \$0.125m
  - Prudent cash management despite significantly scaled up business development activities

## REVENUE

- Revenue of \$2.438m

## BALANCE SHEET

- However, net cash position strong at \$10.196m vs. \$9.207m as at 30 June 2009
- Zero bank borrowings

## CASH FLOW

- Strong cash position maintained at financial year end date
-

# Transformation Plan Completed

Focus on the  
Fundamentals

Operationalising  
Excellence

Innovation &  
Investment

- ✓ Transitioned focus from consulting to security business; R&D function remains a key priority
- ✓ Strengthened partner and distribution channels worldwide
- ✓ Further product market awareness and industry reach
- ✓ Extended products and services offerings – comprehensive coverage of physical and virtual security
  - ✓ Full Border Control Systems, Identity Processing Systems, Document Security and Virtual Identity Protection
  - ✓ Integrated biometrics capabilities into NexCode forensic level solution offerings

**New capabilities and services, additional revenue diversification opportunities, added growth capability**

# Award Winning Suite of Offerings



## National Security

- National Identity Solutions
- Immigration Systems
- Driver & Vehicle Management
- Asset Management
- Enforcement Information Systems
- Biometrics capability integration
- National Security Advisory

## Internet Security

- Banking & Financial Institutions
- Government
- Online transaction security
- Transactional fraud prevention

## Physical Security

- Government documents
- Consumer products
- Product tagging
- Anti-counterfeiting
- Product and document verification

## Consulting & R&D

- Research and Development
- Mobile data and communications
- Consumer solutions
- New technologies

← New capabilities and services, additional revenue diversification opportunities, added growth capability →



BEST SECURITY SOLUTION  
APICTA 2008



World Summit Award

MALAYSIAN  
NOMINEE 2009



MSC MALAYSIA  
CAPABILITY DEVELOPMENT  
ACHIEVEMENT 2009



Secrets  
of Australian ICT Innovation  
FINALIST 2006  
Security Category



Security Category



Financial Applications



MIS  
FINANCIAL REVIEW  
25 Rising Stars  
2007



FINANCIAL APPLICATIONS MERIT



# 2010 Significant Endorsements & Accreditation



- Singapore patent granted 31 March 2010 (Patent No. 144802)
- **IBM Government Industry Framework validated** – first in ASEAN to be validated on this global framework; strategic alignment to IBM Sales teams worldwide
  - First to be listed as IBM's Government ISV Partner in ASEAN (<http://www-01.ibm.com/software/sg/ISV/>)
- **Qualified and received ISO / IEC 18045 Common Criteria Certification** financial grant from Government – international ISO certification in progress
  - Stage 5 of external IT security system audit
- NexCode solution deployed as live showcase in **Unisys Federal Systems Center of Excellence (COE), Virginia USA**
  - Showcase for potential government customers in the USA alongside other COE solutions
- **MSC Capability Development Program Certificate of Achievement**
  - <http://www.mdn.com.my/2010/nexbis-announcements-and-news/>
- **Document Security Alliance (DSA)**
  - DSA was created by government agencies, private industry and academia to identify methods of improving security documents and related procedures to help combat the growing acts of fraud, terrorism, illegal immigration, identity theft, and other criminal acts.
  - <http://www.documentsecurityalliance.com/>
- **North American Security Products Organization (NASPO)**
  - NASPO is an organisation responsible for development of national and international fraud countermeasure and control standards and to certify compliance with those standards in the areas of finance transactions, identity management and material goods
  - <http://www.naspo.info/>
- **Listed on ICAO Machine Readable Travel Documents Partnership Community Website**
  - <http://www2.icao.int/en/MRTD2/Pages/default.aspx>

# MSC / IDC Premier Global Icon Product Endorsement



- Nexbis recently named **Premier Global Icon** by MSC Malaysia
  - **Ranked First for Product and Solutions**
  - **Ranked in the Top 5 overall**
  
- Independent assessment and detailed benchmarking study performed by International Market Research Analysts IDC on all 2,500 MSC status companies
  
- Based on the ISIS 7Ps, IDC's extensive research and a culmination of available economic resources from credible sources (UNDP, World Bank, OECD) IDC constructed a scoring mechanism to rank and rate all MSC Malaysia status companies against industry/market performance

Main Petal	Sub-Petal 1	Sub-Petal 2	Sub-Petal 3	Sub-Petal 4	Sub-Petal 5
Product	Sales	Market Share	Industry Outreach	Leads	Product Roadmap
Plan	Review	Communication	Tracking	Benchmark	
Protection	IP Security	Patents			
People	Composition	Skillsets	Experience	Succession	Attrition
Production	Company/Industry Certification	Process Frameworks			
Promotion	A, M & P Expenditure	Promotability	Strategic Partnerships	Cost Management	

# Update on Maldives

- Maldives – 20 year Concession Agreement signed with government
  - Implementation in progress
  - Revenue contribution expected H2 FY11
  - Establishment of local presence to support implementation and ongoing operations





# Update on Malaysia

- Longer term, broader scope project
- Agreement negotiations in progress
- On-site National Foreigner Registration and Enforcement System testing commenced





# Update on China

- Initial capital contribution completed with final capital contribution pending District Tax Office clearance
- Nexbis' China JV entity Marking System equipment designed and manufactured
- AQSIQ has issued official notice of project directive (*for Gas Cylinders Intelligence Marking and Gas Cylinders Safety Monitoring System Research Project: Project Code 20100K411*) and project management procedures to the Quality Inspection Departments in all provinces, autonomous regions and municipalities
- Pilot implementation expected December 2010/ January 2011
- Final restructure expected to complete by H2 FY11 with written AQSIQ accreditation



# TrustDefender Update

- October 2010 – Appoints security and technology industry expert, Tim Thompson to lead Sales and Operations in EMEA region
  - October 2010 – Showcases unique risk-based online transaction security solution at GITEX Technology Week in Dubai
  - November 2010 - Partners with InfoSight, Inc., to address need for effective online transaction security in the US
  - November 2010 - Appoints Matthew Sheehan to drive aggressive sales growth strategy in Australia and New Zealand
-

# Outlook

- Deliver on China, Malaysia and Maldives projects
  - Convert advanced opportunities in project pipeline
  - Maximise return on the TrustDefender investment
  - Generation of positive cash flow from projects
  - Return to profitability in FY11
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# Questions & Answers



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**THANK YOU**