



**RISK TECHNOLOGIES**

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## Razor Risk Technologies Releases 1H Results

Sydney: Razor Risk Technologies Limited (ASX: RZR) today released its audited financial results for the half year ended 31 December, 2010.

### The first six months in brief:

- Trading results in line with the Board's expectations, given the challenging economic conditions in the Company's major markets of North America and Europe
- Product investment increased to capitalise on changing regulatory needs of clients around Basel III and the Dodd-Frank Wall Street Reform and Consumer Protection Act
- Decisive action taken to continue to manage discretionary costs whilst investing in increased sales and marketing capabilities across all sales regions
- Continued strength of the Australian dollar impacted the Company's profits during the first six months

### Review and results of operations

The Company maintained its focus on strengthening its sales and marketing activities, as well as functional and regulatory enhancements to the Razor product. Revenue decreased by 35% reflective of both the continued strength of the Australian dollar and lower than anticipated business from its client base in the Americas and Europe. This resulted in a break-even pre-tax position compared to a profit of \$603,000 in the corresponding prior period.

As a result of the continued tightening of operational controls, the Company is now in a position where enhancements to Razor may be capitalised and amortised over their useful life, once a production version has been fully completed. The Company's management undertook a strategic review of its immediate development focus and consequently developed a substantive technology upgrade which also includes an early version of a web-enabled service for our clients' own clients. These enhancements will be included in Razor 3.0.

Razor 3.0 is initially being targeted at both new potential clients as well as the existing client base.

The company's cash balance is at expected levels, based on the renewal cycle of support agreements and the order intake for the first half of the year. The Company continues to operate without debt other than the reported banking facilities.

The carrying value of goodwill as at 31 December 2010 was reviewed and found to be appropriate and not impaired based on future cash projections. The Directors will consider the carrying value again as at 30th June 2011.

## **Outlook**

The Company continues to actively prospect within both the current client base, and a broader base of central counterparties and financial institutions. As reported during the half-year period, the Company has experienced a discernible increase in inbound enquiries and these have resulted in new consultancy around Razor as well as new sales opportunities which are at various stages of maturity. Our continued experience is that our global client base is experiencing a 'wait and see' attitude and protecting their own liquidity by delaying or deferring expenditure on internal projects. The Directors will provide details to all stakeholders as and when certainty occurs in relation to material new contracts.

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## **Enquiries/Additional Information:**

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## **About Razor Risk Technologies Limited**

Razor Risk Technologies is a leading provider of risk management technology and consulting solutions to financial institutions worldwide. Established in 1999, the company was created in response to the complex issues surrounding risk management. Razor Risk Technologies recognised that to proactively measure and manage risk, it was necessary to manage the total exposure of a financial institution across all of its global activities. 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.

An Australian public company (ASX: RZR) with offices in Sydney (headquarters), Melbourne, New York and London, Razor Risk Technologies has a highly skilled team of specialists who provide risk management technology and consulting services across the financial markets and risk management sectors. The company operates on a global risk consultancy structure, drawing upon the expertise of all employees in implementing best practices for clients' individual needs. This methodology supports an efficient, low cost, minimal risk implementation, allowing clients to maximise optimal risk and reward. Razor Risk Technologies has a 100 per cent successful implementation record for Razor. For more information, please visit Razor Risk Technologies at: [www.razor-risk.com](http://www.razor-risk.com).