

## ASX Announcement – ACQUISITION BY RUBIK

### RUBIK ENTERS INTO A CONDITIONAL AGREEMENT TO ACQUIRE COIN SOFTWARE PTY LTD – LEADING PROVIDER OF FINANCIAL PLANNING SOFTWARE

- STRONGLY EARNINGS ACCRETIVE
- BROADENS RUBIK'S POSITION IN THE FINANCIAL TECHNOLOGY MARKET

Rubik Financial Limited (ASX: RFL) today announced a significant expansion of its activities in Australia by entering into a conditional agreement to acquire COIN Software Pty Ltd from Macquarie's Banking and Financial Services Group (Macquarie).

COIN is a respected technology service provider in the Australian financial planning software market with an established client base and leading position in the institutional segment of this market. As part of the agreement, Macquarie will continue to service the majority of COIN's boutique (independent financial advice) clients, under a licence from COIN.

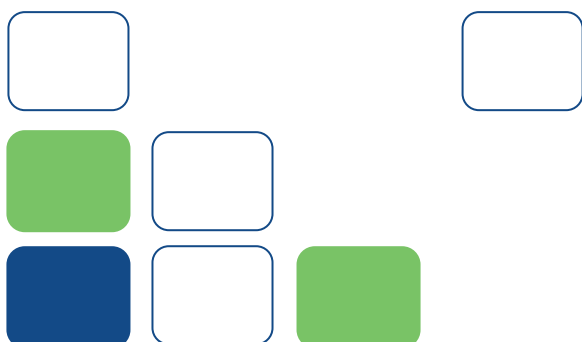
COIN expands Rubik's wealth offering to the financial institution market and creates significant scale across the group. Rubik sees advantages that come with scale both for its own operations, as well as the benefits that will accrue to COIN's institutional clients through focused product development.

Craig Coleman, Chairman of Rubik, said, "For some time, Rubik has been assessing acquisition opportunities and with COIN found an opportunity that provided the combination of first class products, clients, and capability that fitted within our market.

"COIN is an industry leader in financial planning software for financial institutions in Australia due to its client base, breadth of product, dedication to support and innovation. We expect that as a result of this acquisition we will be able to expand our overall offering and allow us to leverage our strengths in mobile and internet into COIN's financial planning software offerings.

"Our initial focus will be on delivering already committed product development programs and preparing our products for changes that flow from the Future of Financial Advice (FoFA) reforms. Beyond this, we will review technology opportunities based on customer feedback and market opportunity, whilst ensuring ongoing support to clients," Mr. Coleman said.

Tony Graham, Head of Macquarie Adviser Services, said: "We believe the proposed separation of COIN to focus on institutional and boutique businesses as two distinct and independent offerings, creates a great opportunity for the growth of both of these specialist financial planning software businesses.



## Strategic Highlights

The acquisition:

- expands Rubik's product offering in wealth to our target customers, institutional banks; and
- provides significant customer, earnings and staff expansion to Rubik's existing business, which will add scale to the group.

## Structure

Rubik has entered into a conditional agreement to purchase 100% of the share capital of COIN Software Pty Ltd, the owner of COIN Software and all associated intellectual property rights, from Macquarie's Banking and Financial Services Group.

Macquarie will retain the contracts with boutique financial planners for the distribution and ongoing development of financial planning software to this segment, under a licence from COIN.

Rubik, at completion, will pay \$23.75m in cash to Macquarie, which shall be funded through a combination of existing cash reserves and bank debt. In addition, Rubik will pay, 12 months after completion, a further amount equal to COIN's net tangible assets (NTA) at completion, which is not expected to exceed \$3.0m.

## Financial Considerations

1. Existing COIN pro-forma EBITDA \$5.2m (year ending March 2012) \*
2. COIN recurring revenue of 85% will lift Rubik's overall recurrent revenue base from 45% to 67% \*
3. The purchase price paid at completion, may be subject to completion adjustments, but will not exceed \$23.75m. In addition there will be a further NTA adjustment payable in cash 12 months after completion
4. Rubik will fund this acquisition through existing cash reserves and bank debt

*\* Financial metrics are for the Coin institutional business being acquired including pro-forma expenses for corporate costs but excluding the boutique business not acquired*

For further information please contact either

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## About Rubik Financial Limited (Rubik)

Rubik is a provider of software for financial institutions. Rubik delivers mission critical systems that are deployed in-house or through multi-tenanted, pay-as-you-go services, that can be securely accessed online or via the mobile. Rubik delivers trusted, reliable systems through a focus on quality, reliability and security. Rubik is ISO 9001, ISO27001 and NoCO2 certified. More information: [www.rubik.com.au](http://www.rubik.com.au)