



COMMODITY SOFTWARE SOLUTIONS

A low-angle photograph of several tall skyscrapers reaching towards a clear blue sky. The buildings are made of dark glass and steel, with many windows visible. The perspective is from the ground looking up, creating a sense of height and scale.

Investor Roadshow

July 2010

Gavin Lavelle, Chief Executive Officer

Tony Ratcliffe, Finance Director

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Agenda



1. About Brady
2. Strategy
3. 2010 Highlights
4. Viveo Switzerland Acquisition
5. Financial Highlights
6. 2010 Priorities

Brady Plc



History

- ❑ 1985: Founded by Dr Robert Brady
- ❑ 2004: Listed on AIM (BRY)
- ❑ 2004: Acquisition of Colplan Systems Limited
- ❑ 2007: Renewal of Management and Board of Directors
- ❑ 2009: Acquisition of ComSoft Limited
- ❑ 2010: Acquisition of Viveo Switzerland SA

Organisation

- ❑ Headquartered in Cambridge, UK
- ❑ Operations: London, New York, Paris, Geneva & Singapore
- ❑ 100 employees worldwide
- ❑ Covering 110 customers and 1,200+ users worldwide

Biographies



Gavin Lavelle – Chief Executive Officer

Gavin joined Brady in September 2007, with over 25 years experience in the international financial software and banking industry. Having worked in investment banking for 10 years with Banque Paribas as Head of Equity Derivative Trading and latterly Director of Deutsche Bank where his responsibility was Global Head of Equity Derivative Trading, Gavin founded RioFin, a Cambridge based software development company focused on capital markets trading. Following RioFin's acquisition in 2000 by SunGard he continued as Chief Executive Officer of Panorama, a leading risk management solution, before heading the take-over of Sherwood Systems, a leading insurance company, where he also had the role of Chief Executive Officer. Gavin holds a BSc in Maths and Computer Science from Southampton University.



Tony Ratcliffe – Finance Director & Company Secretary

Tony joined Brady and the Board in 2007. He brings a wealth of experience gained in high growth technology companies including Gemini Genomics plc where he led the successful \$450m Nasdaq IPO and subsequent merger with Sequenom, i2 which enjoyed considerable growth leading to a merger with Choicepoint, realising some \$100m in cash for shareholders. More recently, Tony established his own company, Consilium Financial Ltd, undertaking numerous projects including the financial management of venture capital backed companies and project management of UK and EC acquisitions for technology clients. Tony holds a BSc from the University of East Anglia and an MBA from Heriot Watt University, Edinburgh and is a Chartered Accountant.

Biographies - Board



Paul Fullagar Non-Executive Chairman

- Considerable experience and a successful track record of overseeing substantial growth in publicly quoted software businesses
- Chairman of Financial Objects plc, until successfully sold to Temenos in 2008
- Was Chairman of Staffware plc for 12 years, during which time he led the company through a period of substantial growth and to its subsequent successful flotation.

Dr Robert Brady Non-Executive Director

- Founded Brady plc in 1985 to create sophisticated software solutions for banks and large mining operations to manage their transactions and risks.
- Treasurer of Cambridge Angels investment group and active mentor and advisor for growth companies.
- Previously a Fellow at Trinity College, Cambridge University.

Pat Brazel Non-Executive Director

- Over 25 years working in the international financial software.
- Pat is also currently Chairman of GoldTier Technologies. Was CEO of Eontec, the market leader in multi-channel retail banking solutions prior to acquisition by Siebel.
- Was founder and chairman of Sentry Financial Systems, the pre-eminent provider of collateral management software, prior to its acquisition in 2002 by Algorithmics.
- As president of SunGard Capital Markets, Pat led the company to become the dominant player in the derivatives trading and risk management systems market.

Brian Collins Executive Director

- 20 years experience designing, developing, implementing & consulting on derivatives pricing and risk management software in a wide range of Commodity asset classes, but especially the base metals market.

Peter Harverson Non-Executive Director

- Number of senior international sales and marketing roles in the IT industry including Regional Director, Intel Corporation and Vice President Europe, Cadence Design Systems.
- At Sun Microsystems he was responsible for the development of the company's European Corporate Accounts programme, then Director of Services Sales - EMEA to develop new areas of business, including professional services.

Mission



To be the definitive global provider and partner of choice for trading, risk management & settlement solutions to commodities industries, through the delivery of customer focused software and services

Brady's Customers



- Companies trading in commodities
- Banks
- Brokers to LME, Comex and other commodity exchanges
- Producers and fabricators
- Hedge funds

Addressable Market



A large number of target clients (for example, metals and mining):

Producers	669
Fabricators	1,149
Traders	969
Banks & Brokers *	44
Total	2,831

* Data from Metal Bulletin

** Potentially more than one client per bank / broker

- The addressable software and services market is suggested to be between \$80-\$124m p.a. including consulting, enhancements and support & maintenance for soft commodities (* CommodityPoint)
- CommodityPoint forecast demand growing at a rate of around 10-15% p.a.

Drivers of Growth



- Trading volumes returning to record 2009 levels
- Record inflows of capital into commodity markets in 2009
- Derivative instruments more widely available and number of instruments growing
- ‘Speculators’ have entered the market
- Prices have become more volatile creating a need for comprehensive hedging strategies
- Automation of commodity trading
- More emphasis on optimising the commodity value chain to maximise profit
- Risk management is a key priority – regulatory and accounting compliance

All of which drive increased demand for Brady’s solutions

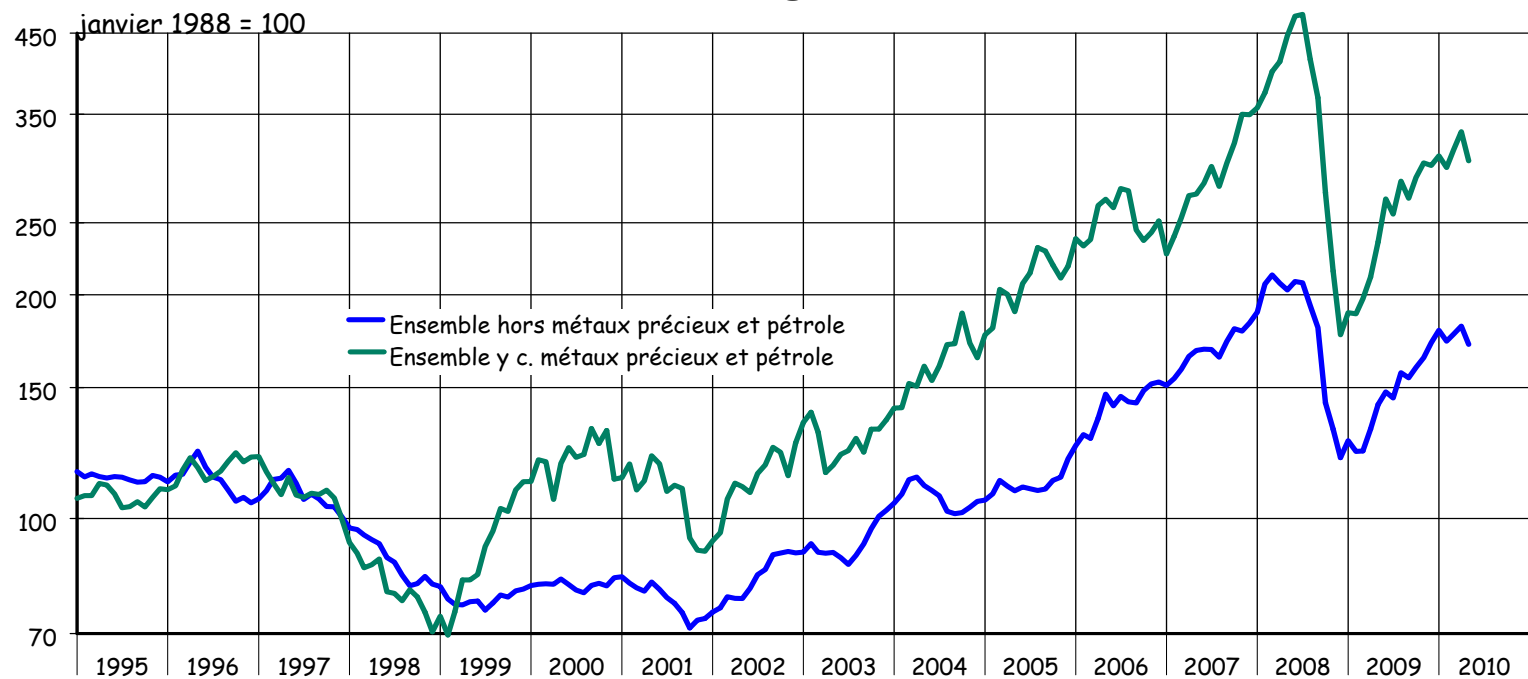


Commodity markets have rebounded



Indices Coe-Rexecode des cours des matières premières en \$

Indices globaux



© Coe-Rexecode

Source: Professor Philippe Chalmin, University Paris-Daupine



Strategy focused on market drivers



Market Driver	Brady's Solutions
<p>(1) Regulatory and accounting compliance</p> <ul style="list-style-type: none"> • Enterprise wide risk management • Risk – Market, credit, liquidity, Operational • Compliance FAS133, IAS39 	<ul style="list-style-type: none"> • Hedge Linkage • Financing/ Liquidity Risk Management • VAR • Limits
<p>(2) Automation of commodity trading</p> <ul style="list-style-type: none"> • Operational efficiency <ul style="list-style-type: none"> – Integrated solutions – Reducing number of systems / suppliers • Lower total cost of ownership <ul style="list-style-type: none"> – Open modern architecture 	<ul style="list-style-type: none"> • SMART – new LME matching engine • SWORD2 – new LME warrant system • Automated Workflow – allocations, give-up, give-in, splits • Automated reconciliation • FIX messaging • Real Time Position P&L Update
<p>(3) Profitable Business Growth</p> <ul style="list-style-type: none"> • Strategic supplier • Greater range of solutions: <ul style="list-style-type: none"> – More asset classes – More functionality 	<ul style="list-style-type: none"> • Strengthened asset and functional coverage with Fintrade • Greater geographic coverage • Ability to service client needs locally • Strengthened client support

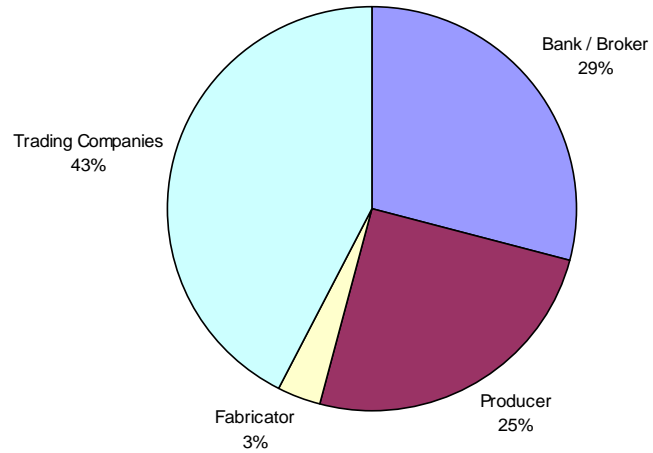
Clients by Location



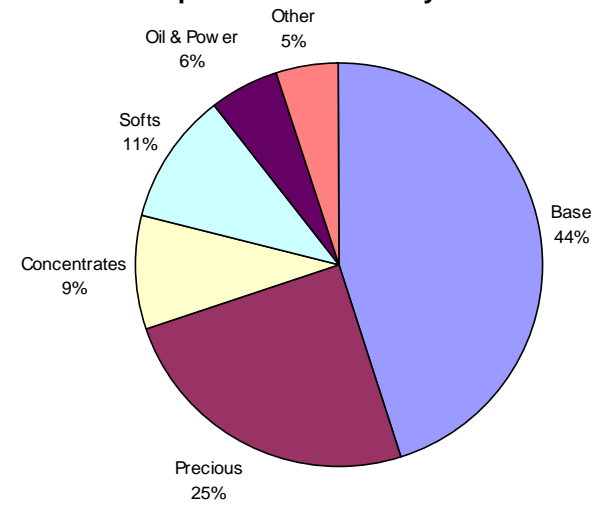
Revenue Analysis



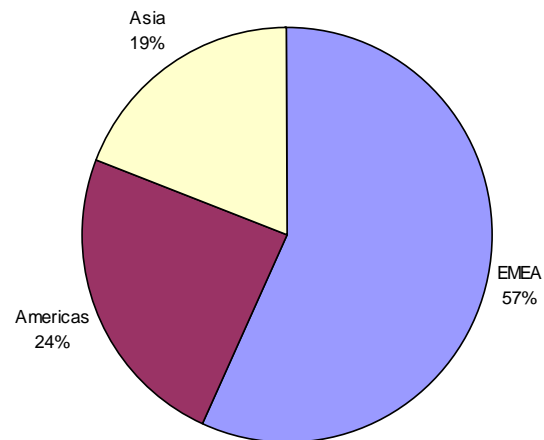
2009 proforma revenue by sector



2009 proforma revenue by asset class



2009 proforma revenue by geography



Solutions and Core Strengths



Solutions

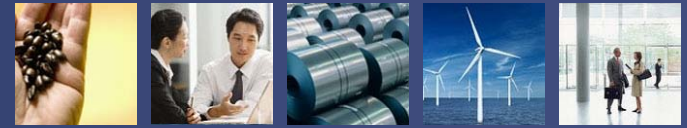
- Software and services to support trading and risk management
 - Derivatives
 - Listed
 - OTC
 - Exotic
 - Interest rate & FX
 - Physicals
 - Refined
 - Raw Materials

Core Strengths

- Base, Precious metals
- Physical / listed and structured derivatives
- Integrated solution
- Strong domain expertise
- Referencable global client base

Build once, sell many times

Asset / Functional Coverage



	Base Metals	Raw	Precious	Softs	Coal / Freight	Oil / Gas	Power / Carbon	FX / IR
Trading	Live	Live	Live	Live	Live	Live	Supported	Live
Operations	Live	Live	Live	Live	Live	Live	Supported	Live
Exchange Connectivity	Live	Not Applicable	Live	Development Required	Development Required	Development Required	Development Required	Not Applicable
Invoicing/ Settlement	Live	Live	Live	Live	Live	Live	Supported	Live
Inventory	Live	Live	Live	Live	Live	Not Applicable	Not Applicable	Not Applicable
Logistics	Live	Live	Live	Live	Live	Not Applicable	Not Applicable	Not Applicable
Enterprise Risk	Live	Live	Live	Supported	Live	Live	Supported	Live
Collateral Management	Live	Live	Live	Live	Live	Live	Supported	Live
Treasury	Live	Live	Live	Live	Live	Live	Supported	Live
Trade Finance	Live	Live	Live	Live	Live	Live	Live	Live

Live
Supported
Development Required
Not Applicable

2010 Business Highlights



- Markets have strongly re-bounded
- Viveo Switzerland acquisition
- New contract wins
- Client acceptances lead to strong revenue growth
- Strengthened product IP & advanced technology
- Continuing growth in sales opportunity pipeline

2010 Contract Wins to date



- ING, Geneva - major outsource services contract
- Louis Dreyfus, Geneva - cotton trading
- Xstrata - Global Risk project
- InVivo – France
- Paul Reinhart
- Gerald – upgrade
- Plus successful deliveries - in Americas, Europe, Asia

Product Enhancements



- **Asset Coverage**
 - Interfacing to London Gold Clearing System (AURUM)
 - Comprehensive precious metals 'bar' management system
 - Agricultural Exotic Derivatives
- **Risk**
 - Enhanced VaR Methodologies
 - Adaption for Agricultural Derivatives
 - Commodity Credit/Cashflow Optimisation module
- **Trading / Operations**
 - Automated electronic-trade feeds (in & out)
 - 'Real-time' Dashboard for system status, trade flow/status reporting
 - Interfacing to/from SWIFT for payments and metal transfers
- **Technology**
 - Centralised Product Agnostic Data Repository Services
 - REST-based Web Services
 - Silverlight 4 platform for Accounts Receivable function

Viveo Switzerland Acquisition



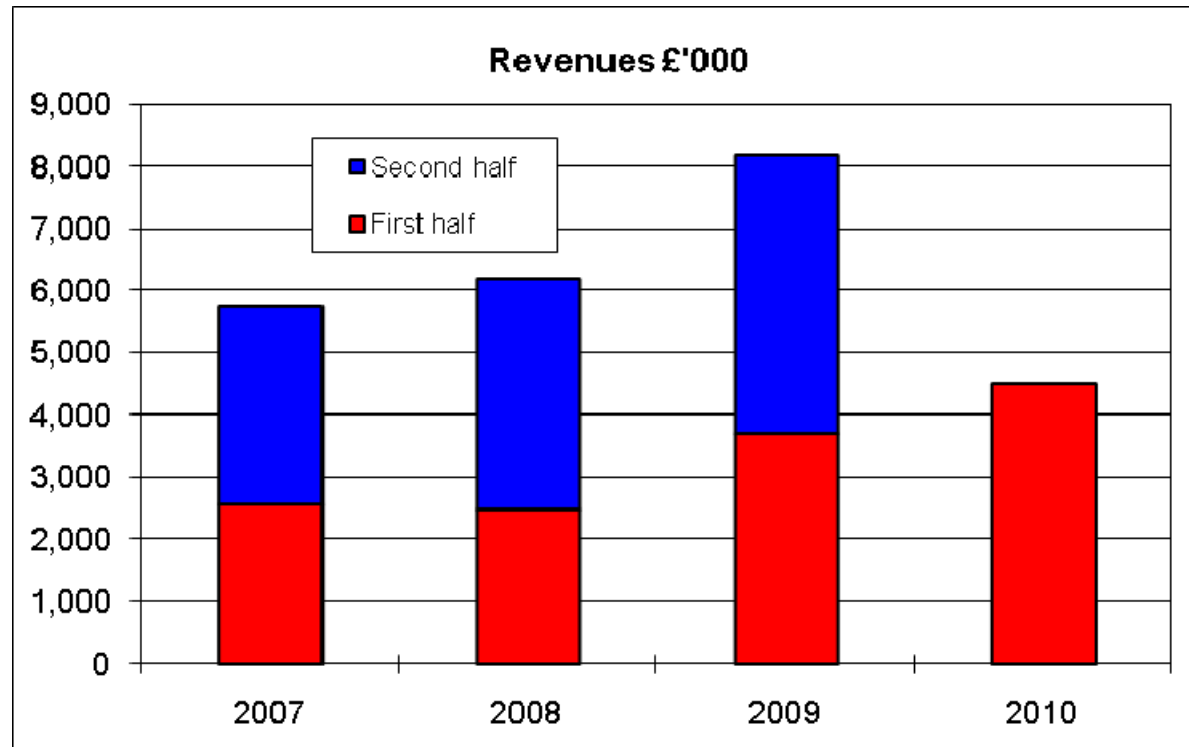
- Acquisition March 2010
- Leading Provider of commodities software
- Founded in 1988, Geneva based, 28 staff
- Paid £1.9m EV plus £0.4m for cash
- 2009 revenues £2.2m and breakeven
- 53 clients
 - 50% soft commodities
 - 25% energy / oil
 - 25% metals
- Diversified revenue base - no client >7%
- Integration and financial performance ahead of plan
- Significant new client wins under Brady ownership

Financial Highlights



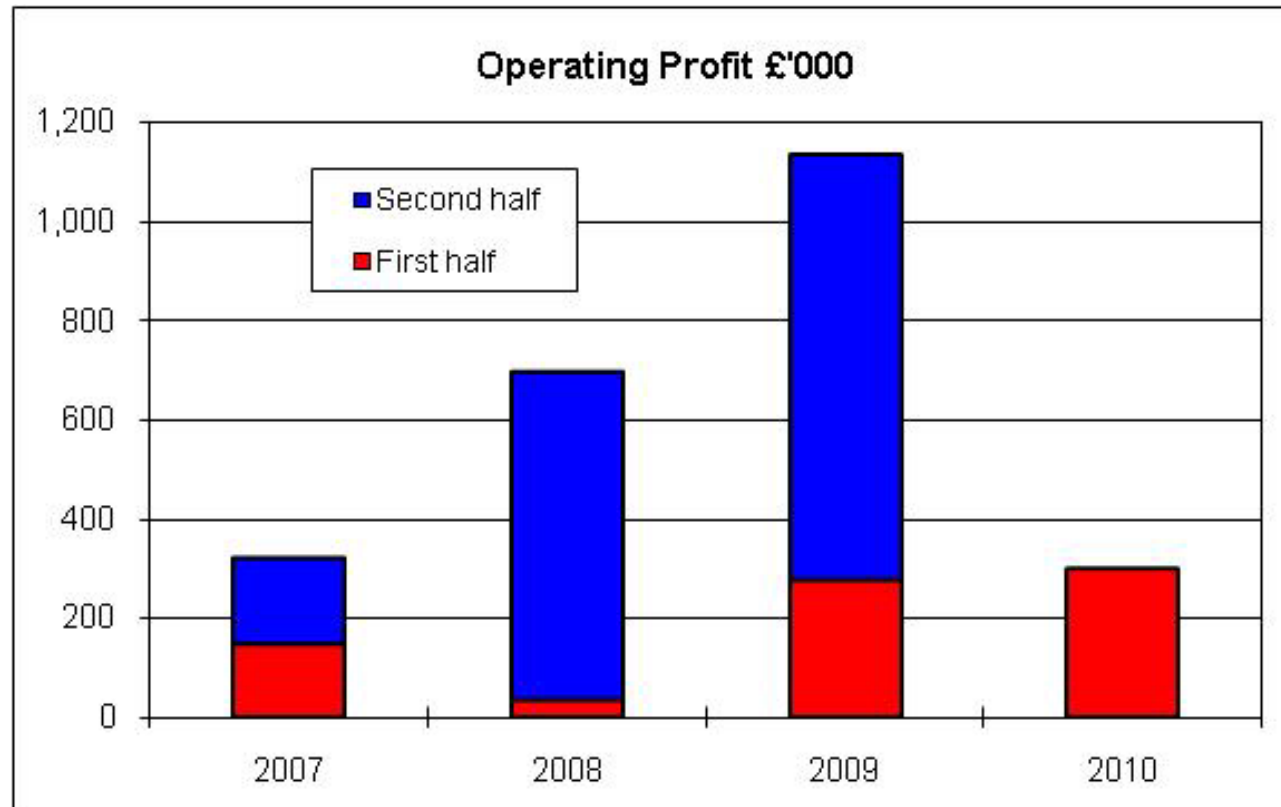
- Consistent growth. Exceeded external forecasts in 2008 and 2009
- Increased recurring revenues, up 33% on 2008
- 2009 operating profit £1.1m (14%), up 63% on 2008 £0.7m (11%)
- 2009 PAT £1.2m (15%), up 59% on 2008 £0.8m (12%)
- EPS 4.27p, up 56%
- Progressive dividend
 - 2007 1.0 pence
 - 2008 1.1 pence
 - 2009 1.2 pence
 - 2010 1.3 pence

Annual Revenue Growth



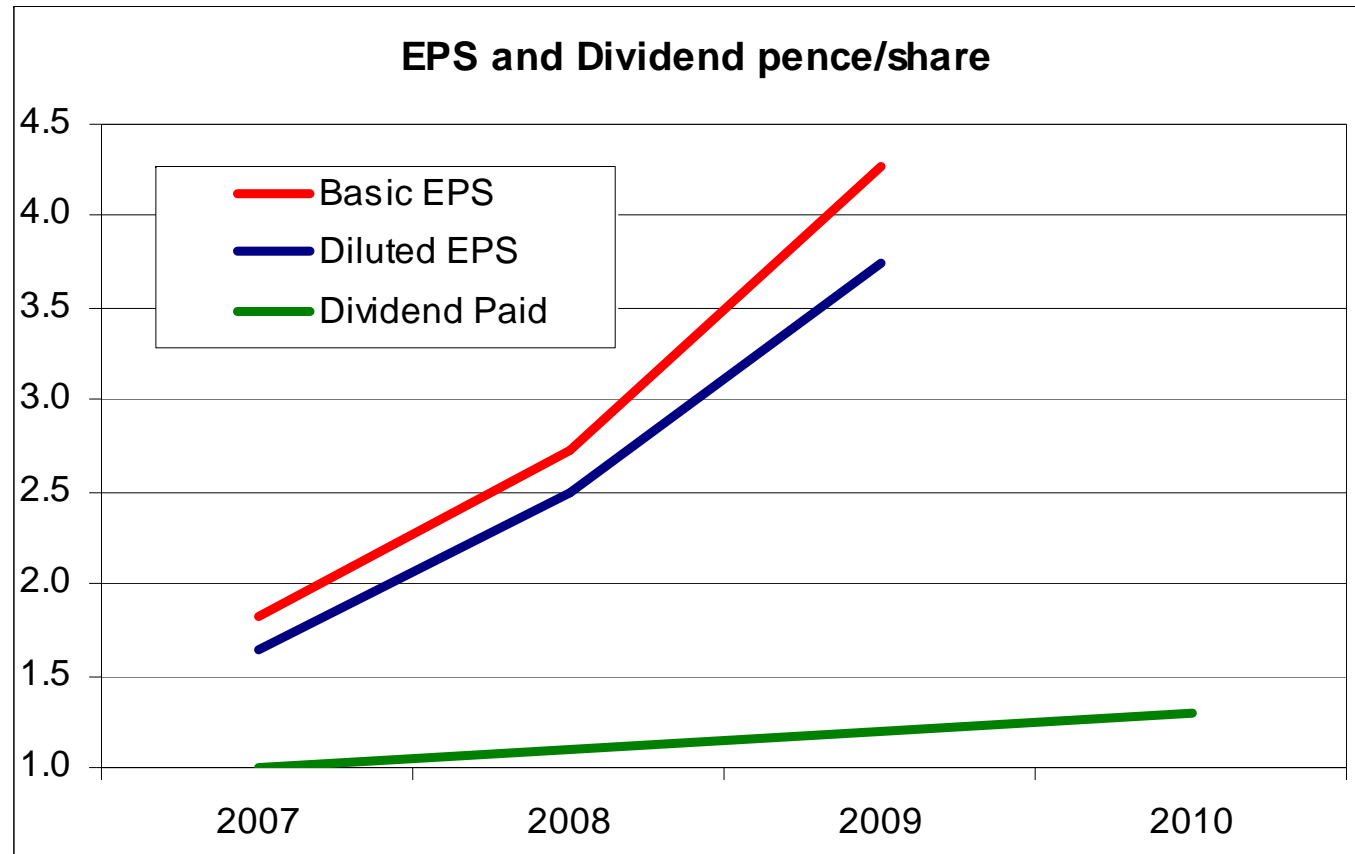
- Positive annual growth trends
- Organic (all years) and acquisition growth (2009 and 2010)
- Traditional H2 phasing

Annual Operating Profit Growth



- Positive annual growth trend – increasing faster than revenues
- Traditional H2 phasing
- Note - excludes acquisition costs

Annual EPS and Dividend Growth



- Progressive increases in dividend paid
- Strong and increasing dividend cover

Cash and Balance Sheet



- Traditional licence model – operating cashflow to run ahead of operating profits
- Licences all / part paid in advance, conservative revenue recognition
- Maintenance billed in advance
- Strong balance sheet, no debt
- £3.2m of cash at 30 June, exceeds working capital requirements
- Two modest acquisitions to date, financed by cash

Shareholders



Management (Chairman 3.5%, CEO 2.4%, founder 25.4%, others 4.0%)	35.3%
Two ex-directors	24.3%
Fidelity	6.4%
Gartmore	5.0%
Herald	5.0%
Hargreave Hale, AXA Framlington, others	24.0%
Total	100.0%

- Fidelity, AXA Framlington – new shareholders in 2010 at 69p
- Gartmore, Herald, Hargreave Hale, AXA – all have continued to increase initial holdings

2010 Priorities



- Further Integration of Brady Switzerland
- Continue to deliver licence & service deals secured in 2010
- Continue new business momentum
 - Further client wins
 - Cross selling into existing clients
- Further strengthen routes to market - Asia, partners
- Continue to consider other potential M&A opportunities

Summary



- Attractive market opportunity
- Large target market, increasing opportunities pipeline
- Strong momentum of securing and delivering new client wins
- Delivering strong financial performance
- Two successful acquisitions, both exceeding plan
- Opportunity to consolidate, looking for more
- Strong balance sheet
- Progressive dividend