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ANNUAL REPORT 2011

AT A GLANCE

2011 at a glance

- SimCorp posted EBIT of EUR 46.3m (DKK 345m), an increase of EUR 11.1m relative to 2010. The EBIT margin was 23.8%. The profit for the year was EUR 34.0m, and the Board of Directors intends to recommend to the shareholders at the annual general meeting that dividends be paid to shareholders at the rate of DKK 30.00 per share of DKK 10 each.
- SimCorp generated revenue of EUR 194.8m (DKK 1.45bn) in 2011, an increase of EUR 9.4m or 5% compared with last year.
- The order inflow – representing the licence value of new orders plus the licence value of add-on licences to customers was EUR 40.4m compared to EUR 49.3m in 2010.
- Income recognised from new licences and add-on licences amounted to EUR 47.2m, a decrease of 4% relative to 2010.
- The level of sales and supply of professional services amounted to EUR 57.0m, an increase of 3% relative to 2010
- Recurring maintenance income continued to increase strongly, up 14% relative to 2010 to EUR 88.6m.
- Overall business growth measured as total revenue growth plus net growth in the licence order book totalled 1% in 2011.
- The expansion of SimCorp's activities in North America continued throughout 2011, and business with existing clients increased. SimCorp won three new licence agreements in North America.
- SimCorp strengthened its position in the European market, winning four new contracts in the mature Central European market as well as two new license contracts in the UK while also extending its business with existing clients throughout Europe.
- Net staff growth in 2011 was 7, bringing the total number of employees to 1,118 at 31 December 2011.
- The Group's operating activities generated a cash inflow of EUR 38.4m, compared with EUR 28.5m in 2010 and cash holdings amounted to EUR 48.1m at 31 December 2011, which is EUR 5.5m more than in 2010. Cash and cash equivalents equal 41% of total assets.
- SimCorp purchased treasury shares for EUR 13.2m in 2011 compared to EUR 10.8m in 2010.
- For 2012, SimCorp expects to generate revenue growth of at least 5% measured in local currencies, while producing an EBIT margin of at least 22%. At 1 January 2012, the Group had secured contracts worth EUR 134m of the projected 2012 revenue, which is 7% more than secured at 1 January 2011.



PETER L. RAVN
Chief Executive Officer

Market uncertainty prevails – SimCorp prepares for the future

In 2011 SimCorp generated revenue of EUR 195m and produced EBIT of EUR 46m – an improvement of EUR 9m and EUR 11m, respectively, compared with 2010. This performance was satisfactory given the challenging market conditions, and we are particularly pleased to note the significant improvement in profitability.

When planning our activities for 2011 we were experiencing a market characterised by increased uncertainty. We therefore decided to embark on new initiatives only when we were confident that we would achieve our predefined level of profitability for the full year. Throughout 2011 we successfully balanced our objective of protecting profitability with our commitment to substantial strategic investment in carefully selected initiatives. Our ambitions and expectations for the licence order inflow during 2011 were high. Ultimately we achieved an order inflow of EUR 40m, regrettably below our initial guidance to the market. Needless to say this was disappointing. However, the lower-than-expected order inflow is not an indication of weakened competitiveness, but rather the result of a small number of potential clients delaying their decisions to enter into new contracts. The nine new clients who did sign up for SimCorp Dimension in 2011 – three of them in North America – illustrate our strong competitive position. Compared with previous years, our existing clients were somewhat more reluctant to purchase extra licences, hence the licence order inflow from existing clients was a modest EUR 28m (2010: EUR 35m).

The global financial crisis continues to show new and unanticipated facets. In 2011, Europe in particular experienced events that would have been considered highly unlikely only a few years ago, but which are now being seriously considered as possible future scenarios. One example is scepticism about the euro. Instead of a gradual trend towards more predictable and stable market conditions developments in 2011 added even more uncertainty. In addition, legislative initiatives and associated regulations are not being implemented as swiftly as anticipated. SimCorp services the financial industry, and as such our business has also experienced turbulent times. Apprehension in the financial industry is seen first and foremost in the buying pattern – especially when it comes to applying new technologies and embarking on change projects. The length of the decision making cycles has increased, and in particular significant change projects and major technology deals are now frequently being put on hold. Financial institutions and companies are squeezing already approved budgets, and strict cost control is the general approach.

Not surprisingly, financial market behaviour affects the overall sentiment for companies servicing the financial industry. Fortunately, there are also bright spots in the current environment. There are companies investing in IT as part of major change projects – particularly in organisations with long term investment horizons. There is a spirit of getting back to basics while introducing new ideas and initiatives. Focus is first and foremost on improving process flows and existing business models to achieve a higher

degree of automation. Buy-side institutions review their operating models to identify whether gains can be made by insourcing or outsourcing parts of the value-chain. As processing significant amounts of data is a prerequisite for operating buy-side institutions, they are increasingly focusing on the availability of data for the relevant processes and the possibility of consolidating data based on one true set of data. In 2011, SimCorp initiated a new SaaS offering (Software as a Service) based on SimCorp Dimension. We believe that going forward an increasing number of clients will find it attractive to base their investment management operations on a SaaS solution and that our SaaS solution will be a strong offering for those who prefer standard and off-the-shelf solutions to the flexible and configurable traditional SOP (Software on Premise) delivery model.

In the software business the efficiency and effectiveness of R&D are fundamental for profitable growth. We allocate R&D resources to the functionalities we believe will be our clients' highest priorities. At the same time we spend significant resources on keeping our technology platform up to date. Fully in line with our commitment to our clients, we continually improve our software, version by version. SimCorp operates in a niche market and it is essential for our future business that we have referential clients and clients who are satisfied with our products and services. In 2011 SimCorp initiated 'Net Promoter Score' (NPS), a technique that will provide an instant measure of client satisfaction and a tool enabling us to react fast on clients' feedback. We continually strive to improve client satisfaction in all our doings and we believe that going forward this will become an even more important part of our corporate culture.

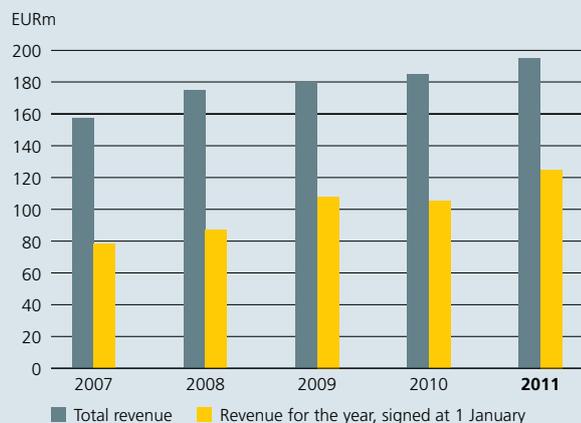
The global financial crisis affects everyone. However, we have demonstrated the robustness of our business since 2008 when the global financial crisis set in, and our strengthened position in growth markets gives us reason to believe in SimCorp's continued and sustained growth. SimCorp's approach to cost containment and our ability to balance profitability with investment in strategic initiatives have proven successful in the current, uncertain environment. Going forward we will continue to take a cautious approach to expanding our cost base, however we will also ensure that we continue to anticipate market developments and maintain our capacity to meet the demands of our clients.

I want to thank SimCorp's employees and stakeholders for their cooperation and support in 2011 and I look forward to continuing our good relationship with all of you.

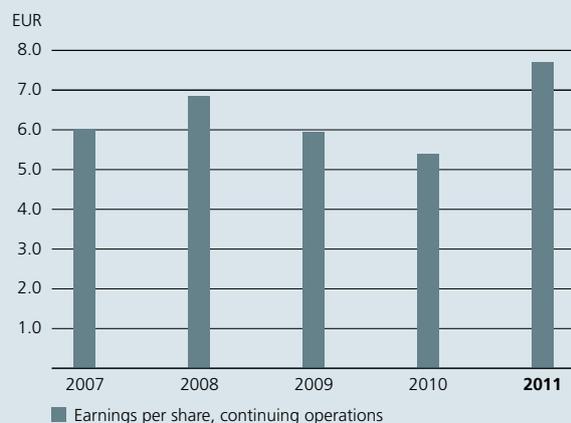
Group financial highlights 2007–2011

	2007	2008	2009	2010	2011
DKK/EUR rate of exchange at 31 December	7.4566	7.4506	7.4415	7.4544	7.4342
Profit, EUR'000					
Revenue	156,780	174,737	180,375	185,375	194,815
Earnings before interest, tax, depreciation and amortisation (EBITDA)	41,411	41,776	44,147	39,923	50,399
Profit from operations (EBIT)	38,396	38,432	39,670	35,199	46,340
Financial items	2,027	4,124	11	(1,962)	833
Profit before tax, continuing operations	40,423	42,556	39,681	33,237	47,173
Profit for the year, continuing operations	28,665	31,510	26,729	24,390	33,956
Profit for the year, discontinued operations	10,334	(351)	196	0	0
Profit for the year	38,999	31,159	26,925	24,390	33,956
Total comprehensive income for the year	35,166	26,218	28,488	26,817	34,384
Balance sheet, EUR'000					
Share capital	6,616	6,616	6,179	6,179	6,179
Equity	73,525	62,699	75,654	77,520	83,184
Property, plant and equipment	3,501	10,898	9,341	8,779	7,813
Cash, bonds and cash equivalents	46,904	25,463	44,305	42,689	48,149
Total assets	109,652	96,463	116,390	113,011	119,478
Cash flows, EUR'000					
Cash flow from operating activities, continuing operations	32,372	27,154	37,006	28,513	38,396
Cash flow from investing activities, net	5,561	(7,333)	(1,025)	(2,945)	(2,878)
Cash flow from financing activities	(52,326)	(14,056)	(17,391)	(27,528)	(30,044)
Cash flow, discontinued operations	626	0	0	0	0
Net change in cash and cash equivalents	(13,767)	5,765	18,590	(1,960)	5,474
Employees					
Average number of employees	771	949	1,045	1,077	1,048
Profit, DKK'000					
Revenue	1,169,047	1,301,899	1,342,261	1,381,859	1,448,294
Earnings before interest, tax, depreciation and amortisation (EBITDA)	308,785	311,259	328,520	297,602	374,676
Profit from operations (EBIT)	286,307	286,341	295,204	262,387	344,501
Financial items	15,115	30,724	82	(14,626)	6,193
Profit before tax, continuing operations	301,421	317,065	295,286	247,761	350,694
Profit for the year, continuing operations	213,745	234,768	198,904	181,813	252,436
Profit for the year, discontinued operations	77,053	(2,615)	1,459	0	0
Profit for the year	290,798	232,153	200,363	181,813	252,436
Total comprehensive income for the year	262,219	195,340	211,993	199,905	255,618
Balance sheet, DKK'000					
Share capital	49,250	49,250	46,000	46,000	46,000
Equity	548,244	467,146	562,979	577,865	618,406
Property, plant and equipment	26,106	81,200	69,511	65,442	58,083
Cash, bonds and cash equivalents	349,745	189,711	329,696	318,221	357,949
Total assets	817,628	718,709	866,116	842,429	888,223
Cash flows, DKK'000					
Cash flow from operating activities, continuing operations	241,382	202,314	275,380	212,547	285,444
Cash flow from investing activities, net	41,465	(54,633)	(7,628)	(21,953)	(21,396)
Cash flow from financing activities	(390,176)	(104,729)	(129,415)	(205,205)	(223,353)
Cash flow, discontinued operations	4,668	0	0	0	0
Net change in cash and cash equivalents	(102,662)	42,953	138,337	(14,611)	40,695
Key ratios					
EBIT margin (%)	24.5	22.0	22.0	19.0	23.8
ROIC (return on invested capital) (%)	104.2	96.2	89.9	79.0	108.8
Debtor turnover rate	5.2	7.4	7.0	6.1	7.1
Equity ratio (%)	67.1	65.0	65.0	68.3	69.6
Return on equity (%)	33.1	42.8	36.3	30.0	40.0

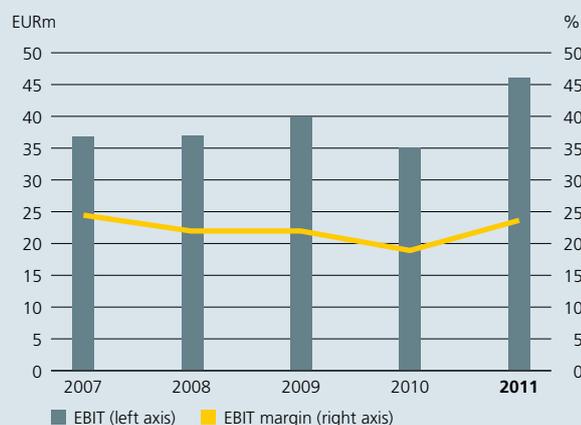
Revenue



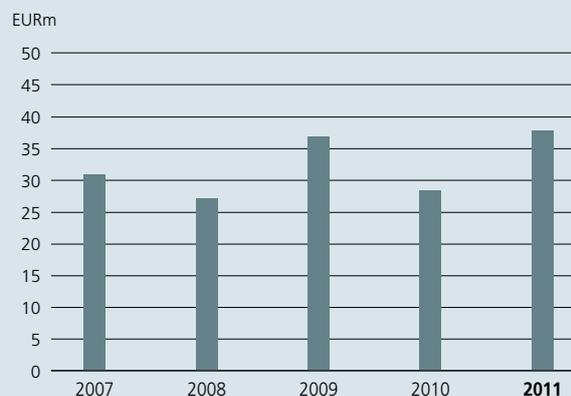
Earnings per share of DKK 10 each



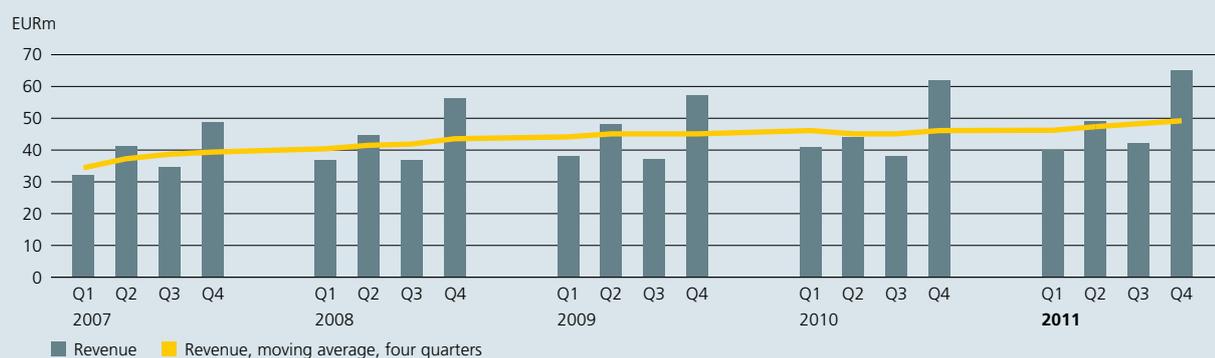
Earnings and profitability



Cash flow from operating activities



Net revenue per quarter



	2007	2008	2009	2010	2011
Per share data					
Basic earnings per share of 1 DKK – EPS (EUR)	0.82	0.68	0.60	0.54	0.77
Diluted earnings per share of 1 DKK – EPS-D (EUR)	0.82	0.68	0.59	0.54	0.76
Basic earnings per share of 1 DKK, continuing operations – EPS (EUR)	0.60	0.69	0.59	0.54	0.77
Diluted earnings per share of 1 DKK, continuing operations – EPS-D (EUR)	0.60	0.69	0.59	0.54	0.76
Cash flow per share of 1 DKK – CFPS (EUR)	0.68	0.59	0.82	0.63	0.87
Average number of shares of DKK 1	47,425,845	45,950,030	45,123,595	44,998,925	44,107,079

Creating and capturing value in uncertain times

Maintaining SimCorp's profile as a growth company is a strategic priority. Continued focus on sustained profitable growth is a key element of the targets for 2012 and beyond. SimCorp's growth is based on delivery of modern services and solutions deriving from a forward-looking solutions development strategy, a dynamic market strategy and a successful knowledge strategy embedded throughout the organisation.

Clients

- establishing long-term strategic relationships with clients
- maintaining maximum client satisfaction ratings

Solutions

- providing modular, flexible and value-adding products and services
- continuously enhancing system functionality as well as technical infrastructure

Expertise

- attracting and retaining highly qualified employees
- continuously developing employees' and managers' skills and capabilities

Based on the three cornerstones of our business: compelling solutions, loyal clients and highly skilled employees, SimCorp continues to grow in a market characterised by volatility.

SimCorp develops, sells and provides software solutions and related services to the international financial industry. SimCorp's product, SimCorp Dimension, is an advanced software solution for professional investment managers that supports all elements of the investment management process.

Today, SimCorp operates in six global regions: North America including the USA and Canada; Central Europe including Germany,

Austria and Switzerland; Western Europe including Belgium, the Netherlands, Luxembourg and France; Asia Pacific including Australia, Singapore and Hong Kong; the United Kingdom; and the Nordic region including Norway, Sweden, Finland and Denmark.

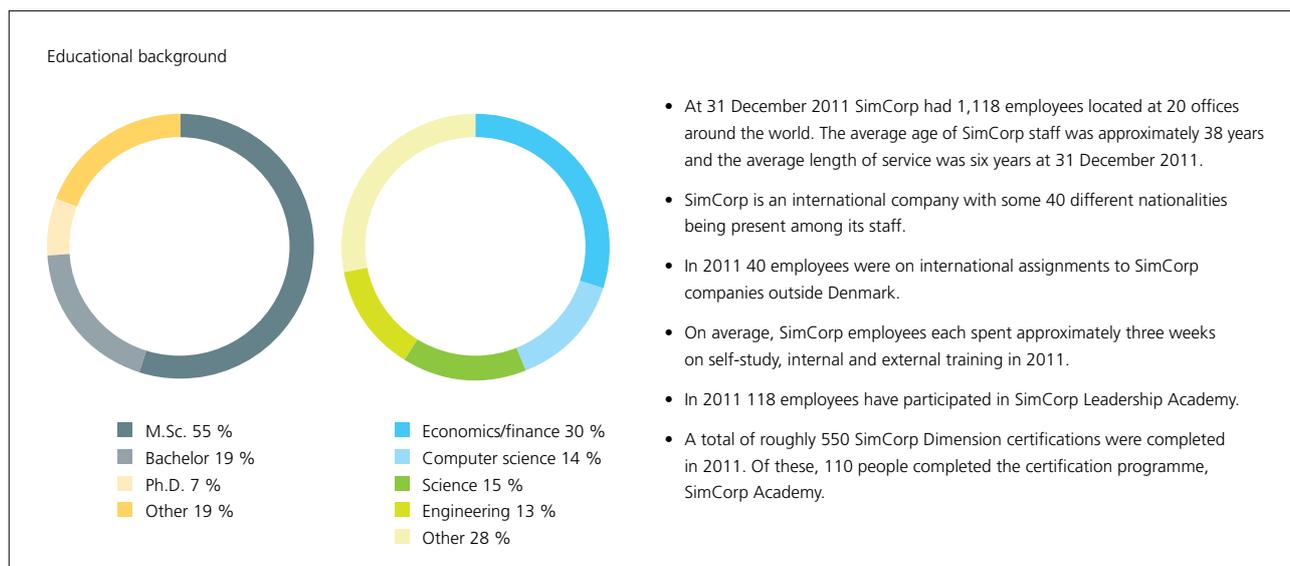
SimCorp's product, SimCorp Dimension, is one of the most comprehensive standard systems of its kind. It comes with add-on services, and its extended modularity enables it to be configured to support a client's entire investment management process, from front office to back office or any part thereof. It can thus be tailored to the exact needs of any individual client, regardless of size, geography or sector.

SimCorp's clients include financial institutions, asset and fund managers, insurance companies, pension funds, mutual funds, banks and mortgage lenders.

Revenue is derived from three principal activities; sales of software licences, provision of maintenance services and professional services including packaged services as well as traditional time and material-based services.

The market

Undeniably the world has experienced its worst crisis since the Great Depression, and a full recovery is still a long time coming. Many blame former years' lavish greed and spending – and the fact that clarity and overall understanding of processes and visibility into activities have been dim, if not altogether lacking. As a consequence, the market is now rightfully demanding increased transparency and visibility into processes and practices, and the



financial industry that SimCorp serves is struggling to restore the trust of former years. Because a number of asset managers have failed to protect their investors, the industry’s collective reputation has been severely tested and in many cases shattered. As a direct result, the industry has seen a wave of new legislative initiatives being introduced to increase control and supervision. Most notable are Solvency II, UCITS IV, Basel III and the Dodd-Frank Act just to mention a few – all of which are intended to secure the sound operation of financial institutions and the fiduciary asset management activities they perform on behalf of their clients.

The prospects of prolonged and sustained volatility, continued uncertainty in financial markets as well as an accelerating flow of new legislative demands are bound to drive a number of technological requirements, and hence what is required from a software provider such as SimCorp. Client focus in 2012 and beyond will indisputably be compliance reporting, further automation of processes to reduce operational costs and data consistency to mitigate risks across all elements of the investment management process. Many firms will begin positioning and planning for growth and consequently will look for scalable IT solutions that allow for new business and growth, while at same time catering for the above challenges.

“SimCorp’s solution, SimCorp Dimension is a seamless enterprise solution, which provides modular and fully integrated application support for front-to-back processes in leading buy-side institutions.”

The market for investment management solutions, in which SimCorp competes, is characterised by two governing trends: best-of-breed solutions and fully integrated, all-in-one systems. The best-of-breed approach implies that the investment manager has a wide range of solutions and software products to solve the many different investment processing needs. This model has an inherent risk of data inconsistency, since data has to be keyed in several times, and in many different places. Reconciliation of data becomes cumbersome and time-consuming, and most importantly the ability to get and provide a consolidated overview of the business may become challenging, if not impossible.

The other trend, is the integrated, all-in-one system strategy. Data is keyed in once and then consolidated in real-time across all domains. This allows the investment manager a full overview of the business at all times. More importantly, it allows the investment manager to continually provide overview and transparency to clients, regulators and to the market in general. While mitigating risk, it also reduces operating costs and enables investment managers to scale and grow, simply by handling increased volumes on the same platform.

SimCorp’s solution, SimCorp Dimension is a seamless enterprise solution, which provides modular and fully integrated application support for front-to-back processes in leading buy-side institutions. It is internationally recognised as a comprehensive, yet completely modular system that supports all elements of the investment management process: analysis of investment opportunities; order placing; order management; performance measurement; reconciliation; bookkeeping; reporting; risk monitoring and control. The entire workflow is integrated on a single platform allowing the investment manager to access data that is continually updated in real time.

Risk monitoring, control and regulatory reporting, in particular, are considered key requirements for the future as owners and authorities alike increasingly demand regular insight into corporate business procedures. As the market for investment management is consolidating and many clients operate in several geographies on shared IT platforms, there is increasing demand for scalability of investment management systems with the ability to handle financial instruments in different jurisdictions with different reporting rules for multiple regulatory bodies. SimCorp Dimension fully meets these requirements in a cost-effective and timely manner.

The business

Since SimCorp's establishment in 1971, and particularly in the past decade, SimCorp has recorded sustained, high organic growth based on configurable standard software for professional investment managers in the international financial markets. SimCorp is recognised as a reliable provider of high-quality services based on modern, innovative software development, which has resulted in solid financial performance – although, in recent years, SimCorp's business, and in particular the growth rates, have been affected by the global financial crisis.

SimCorp derives revenue from three main activities: sales of software licenses, maintenance services and professional services. Sales of software licenses fall into two categories – sales of new software to new customers and additional sales of software to existing clients. Sales of new software licences to new customers are large, irregular transactions, which vary significantly over time, and accordingly, licence revenue fluctuates considerably from one quarter to the next. However, due to SimCorp's diversified business model and strong client base, the company is less vulnerable to these fluctuations, because a greater part of the revenue derives, for example, from professional service activities and maintenance services, which are generated consistently and with a high degree of predictability.

Today, the market and our clients are increasingly demanding more business related services with the aim of reducing overall costs and making business more scalable. Investment managers want to focus on their core business, which typically does not include system operations. SimCorp will also offer its software as a service (SaaS), a software delivery model, which provides our standard software and workflow support in a ready-to-use format. A global partner provides the technical infrastructure. With a SaaS solution SimCorp runs the software and all of its components, as well as the operational work, including upgrading and patching. Clients

can then focus on their core business, while rightfully expecting the software to 'run on its own'. SimCorp sees an increasing demand for this delivery model as less complex institutions will want to avoid the demands of running and maintaining a large software platform, while at the same time have access to all required functionality delivered in a standard configured version.

Clients can consequently choose the model that best fits their business requirements and enjoy the benefits of embedded operational services (upgrades, test and validation, capacity management), business logic (processes and configuration), data management, as well as easy access to new functionality and easy on-boarding.

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Where it makes practical and financial sense, SimCorp's market strategy involves increased focus on setting up business partnerships with third-party providers. SimCorp will enter into a business partnership with a third-party provider when it can achieve business advantages that provide a competitive edge and added value for SimCorp as well as for SimCorp's clients. Business partnerships include product partnerships characterised by the partner offering products or infrastructure platforms that can be integrated or incorporated with SimCorp's own solutions, or development partners offering tools SimCorp can use in its in-house development process. In addition, SimCorp works with implementation partners who offer additional professional services provided either through SimCorp or directly to the client.

The clients

A trusting and loyal cooperation with its clients based on mutual respect is paramount to SimCorp and its continued growth. Not only because clients generate revenue, but particularly because satisfied clients are references for new clients. Trustworthy references are key when new clients choose a provider, and it is thus vital that SimCorp maintains its reputation among clients as a reliable business partner consistently providing high-quality, value-adding solutions.

When a company decides to implement SimCorp Dimension as the platform for its future business activities, it also chooses to enter into a long-term, strategic partnership with SimCorp. SimCorp is proud to report that it enjoys long-standing partnerships with all its clients, who all benefit from the cooperation. Among others, the cooperation entails that parts of SimCorp's product development are done in close collaboration with the clients. In this way SimCorp can combine specific client needs with general market demands – thus ultimately enabling the clients to best meet the demands made by the financial markets and regulators.

SimCorp's client engagement is strengthened through regional market units hosting local user community meetings allowing clients to discuss relevant topics with SimCorp and importantly with other SimCorp Dimension users. Annually, SimCorp also hosts an international user community meeting, gathering clients throughout the world for a three-day conference focusing on SimCorp Dimension best practices and system roadmap. In 2011, the conference attracted some 400 users representing clients from 18 countries around the world.

SimCorp's clients include some of the financially strongest investment managers in the industry, and our partnership, which is based on mutual trust and respect, constitutes a solid foundation for continued, extended business relationships. It is imperative that clients are confident about SimCorp's ability to be at the forefront of developments in the global financial markets and to continue to meet clients' present and future business requirements. Today, more than 170 international financial institutions globally base their investment management activities on the SimCorp Dimension software.

The solutions

SimCorp's product, SimCorp Dimension, is an advanced software solution for professional investment managers that supports all elements of the investment management process. As SimCorp's clients base their core business on the SimCorp Dimension software, the responsibility to provide solutions on which clients can rely confidently is not taken lightly. Despite the fact that the market environment is currently turbulent and characterised by a high level of uncertainty, SimCorp continues to invest substantial resources in innovation as well as product enhancements and new services

“SimCorp continues to devote a large part of its development resources to measures that can make clients' processes more efficient.”

development. Consequently, SimCorp offers product updates every six months. The updates that are based on the systematic collection and prioritising of client and market requirements provide enhanced system functionality as well as improved technical infrastructure, ensuring that SimCorp's clients always use a modern software product based on a market conforming technology. Product development is primarily carried out in Copenhagen. However, SimCorp also operates development units in Kiev, Ukraine; Bad Homburg, Germany; and Shenfield, UK.

The ongoing development of SimCorp's product is predominantly market-driven, based on extensive market research and the systematic collection and prioritising of market requirements and demands. However, as product development also takes place in close collaboration with the clients, SimCorp is able to combine specific client needs with general market demands, and consequently enable the clients to even better meet the demands of the industry in order to stand prepared for the future.

The product development strategy for SimCorp Dimension is based on a domain concept designed to enhance functionality, facilitate the implementation process and enhance the strategic aspects of SimCorp Dimension. The domains are based on clients' typical business processes, e.g. trading, performance measurements or accounting. Focusing the product strategy on such domains allows SimCorp to optimise the functional match between SimCorp Dimension and client requirements thus reducing time-to-market. This latter factor is a key parameter for success in future financial markets, which see demands and conditions changing at an ever increasing pace. Investment managers worldwide are subject to ever intensifying scrutiny and competition and thus experience a demand for making their in-house processes more transparent and efficient while also reducing operating costs. SimCorp continues to devote a large part of its development resources to measures that can make clients' processes more efficient. Naturally, SimCorp's in-house knowledge management and strategy are organised around the domains used in the company's product development strategy.

A key element of the product development strategy of SimCorp Dimension is extensive quality assurance and testing prior to the release of new software versions. SimCorp constantly raises and follows up on its quality targets to ensure that they are aligned with expected market developments.

The SimCorp experts – the employees

To continuously strengthen SimCorp's market position, the organisation is entirely dependent on highly skilled employees with

extensive financial expertise and software know-how. Today, more than 80% of SimCorp's employees hold academic degrees, mostly in finance, economics, IT or engineering.

In order to offer clients added value when they choose a SimCorp Dimension solution, it is essential that SimCorp's employees have up-to-date knowledge of financial instruments and investment management processes, including international and national standards, as well as legislation and other requirements. Comprehensive knowledge of financial theory and software development combined with extensive experience and insight into clients' business processes are therefore crucial for SimCorp's business activities and the ability to develop and offer clients competitive, high-quality solutions.

As highly qualified employees are essential in developing, selling and implementing world-class software, SimCorp continuously focuses on recruiting and retaining highly skilled, top-performing employees. Ongoing training and strengthening of knowledge sharing are key elements in these efforts. SimCorp promotes knowledge sharing by way of, among other things, job rotation, short- and long-term international assignments, secondments, and implementation of adequate information technology to support business processes and provide easy access to relevant knowledge. The efforts also include focused management and measurement of employee performance and development of skills to ensure that competent employees are rewarded and motivated to ongoing learning in step with the development of SimCorp's business. All employees in SimCorp thus participate in regular employee performance reviews, at least annually, to identify and to follow up on specific, individual objectives related to the company's overall targets. This enables individual employees to see and understand their own contribution to the company's performance, while management is able to monitor target achievement on an ongoing basis and to refocus efforts, if required.

For the purpose of achieving its ambitious targets, SimCorp operates a comprehensive training programme, which aims to efficiently translate general knowledge into specialised skills and ensure that all employees update and develop their qualifications on a regular basis. It is important for SimCorp that employees are able to translate their theoretical knowledge into practice in order to fully utilise their skills for the benefit of clients and colleagues alike.

An important feature of SimCorp's training programme is the SimCorp Academy certification programme, which is mandatory for all SimCorp Dimension consultants. SimCorp Academy builds

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competences in and around the use and implementation of SimCorp Dimension and thus gives all SimCorp consultants the very best qualifications for offering clients high-quality service and contributing to discussions and analyses. SimCorp Academy is the first step of a three-level professional training programme for SimCorp Dimension followed by domain specific competence building at specialist and expert levels respectively. SimCorp Academy courses are also available to SimCorp's clients, enabling them to take full advantage of their system solution.

Another initiative is SimCorp's competence building programme, GROW, which is intended to identify potential career paths in SimCorp and the competences required to get there. GROW currently comprises 30 different job profiles within the Group with related personal target profiles and competence requirements. Individual employees are able to relate their own, actual profile to a potential career path, thereby making the requirements for personal and professional development clear. All employee résumés are made available online for colleagues, containing formal education, training, job and project experience as well as other relevant business experience. Employee competences are searchable, thereby increasing knowledge-sharing throughout the organisation.

Finally, SimCorp also operates a comprehensive leadership training programme, the SimCorp Leadership Academy, to ensure that SimCorp always has management resources that are among the best in the industry with the ability to develop, challenge and strengthen both employee competences and corporate culture. As with all other training in SimCorp, the elements of the SimCorp Leadership Academy are closely linked to the practical development of experience in the organisation in order to fully optimise the benefit derived from training.

Building awareness

The market for investment management software like SimCorp Dimension is generally considered a niche market. Still, there is a constant need to present one's offering to the market and continuously build and enhance awareness. As part of SimCorp's

efforts to increase awareness, SimCorp is building a strong global thought leader position as a platform for sales execution. The strategic message is: mitigate risk, reduce cost and enable growth.

Elements of SimCorp's thought leader programme include among others the publication of *Journal of Applied IT & Investment Management* – a magazine with a global circulation of currently 24,000 copies that goes out to SimCorp clients and subscribers world-wide. The magazine is also presented in selected airline business lounges. Leading professors, industry analysts, management consultants, industry senior executives and leading financial institutions contribute to the Journal that is published three times a year.

Online, SimCorp has built a comprehensive resource portal that covers all major regulatory changes and requirements. The portal, which is continuously updated, includes among other items expert views and best practices, test and assessment tools, IT implication analyses as well as SimCorp Dimension positioning statements.

A key component of SimCorp's thought leadership programme is the independent research institution, SimCorp StrategyLab, established in the spring of 2009. In close collaboration with internationally recognised academics and established industry experts, SimCorp StrategyLab carries out its own research and analysis of trends and challenges in the financial sector. SimCorp StrategyLab also contributes competent suggestions for structural IT methods and tools, which are intended to minimise risk and propose strategic cost savings in order to create a basis for growth in the financial industry. The industry experts include several of SimCorp's clients who – by taking part in the research – not only strengthen their partnership with SimCorp, but also ensure that a more operational approach is taken to the strategic issues that SimCorp StrategyLab deals with.

In 2011, SimCorp StrategyLab hosted the SimCorp StrategyLab Copenhagen Summit. More than 25 global thought leaders representing the investment management industry and renowned academics convened at the SimCorp StrategyLab Copenhagen Summit 2011 to discuss key investment management industry challenges in the current financial environment. The meetings addressed the following three industry sectors: investment funds; pension and insurance funds; and asset management. Identification and analysis of 12 key challenges related to risk, cost and growth were discussed. The main conclusions from the meetings have been collected in three white papers, published in September 2011, which combine the consensus reached in each of the discussions, as well as on-going research among academics, policymakers and industry associations.

Going forward SimCorp StrategyLab will continue to suggest ways to meet the challenges and to share best practices in the financial industry.

The intelligence derived from the SimCorp StrategyLab research is used by SimCorp to remain at the forefront of the financial industry, its challenges and its possibilities. SimCorp believes that the work of SimCorp StrategyLab, and its publications, contributes positively to SimCorp's image among professional investment managers.

SimCorp StrategyLab was founded and is sponsored by SimCorp as a private and independent research institution, formally organised with a board of directors chaired by SimCorp CEO Peter L. Ravn. Professor Ingo Walter is director of SimCorp StrategyLab. Ingo Walter holds a Seymour Milstein Professorship of Finance, Corporate Governance and Ethics and acts as Vice Dean of the faculty at Stern School of Business, New York University.

Creating and capturing value during uncertain times

SimCorp is a growth company, and as such maintaining focus on sustained profitable growth is a key target for 2012 and beyond.

SimCorp's strategic development is based on a number of broad targets, which management has broken down into measurable components so as to enable the company to track progress. The general targets are categorised within the fields of market growth, product development through innovation and quality assurance as well as competency building. These focus areas aim to ensure a sustained strong financial performance through growth and improved efficiency for the benefit of all the company's stakeholders. Accordingly, the foundation for SimCorp's growth is based on three cornerstones: modern solutions with a forward-looking service and product development strategy, a committed market strategy and a consistent knowledge strategy embedded throughout the organisation. The application of SimCorp's solid business model, using these elements, will ensure that SimCorp will generate satisfactory financial results.

Despite the current challenging market conditions, SimCorp stands well prepared for the future and its challenges, supported by a sound business strategy, the Group's loyal clients, competent employees and unique software product and services. Management believes that the investment management industry will notice and acknowledge that SimCorp has an offering that will enable them to meet the increased challenges better and eventually prevail as winners.