

SPEEDSCAN CEO MARK JOSMAN TALKS BUSINESS WITH DOCUMENT BOSS.

SYDNEY, AUSTRALIA - 20 May 2009 : The combined effect of the worldwide economic downturn and the rise in the adoption of software as a service are just two of several drivers that appear to be having a positive impact on the Document and Business Process Outsource services market.

Organisations in both the private & public sectors are recognising the cost benefits and improved efficiencies of outsourcing their mission critical document intensive business processes and they are increasingly more comfortable with web based hosted services, that such companies are now offering, as they also embrace a variety of other web based software solutions for both front and back office applications.

Speedscan, a Document Outsource solutions company, is experiencing solid growth in their Australia & NZ business and their CEO, Mark Josman, shares some market perspectives with John Symon, SVP Asia Pacific for Document Boss.

JS Welcome to BossNews, Mark. Perhaps we could begin with a brief history and introduction of your company?

MJ Thanks, John I would be pleased to give you an overview of our business and provide some comments on the current market dynamics in our sector.

The Speedscan Group was formed in 2007 by the private equity backed MBO of the Asia Pacific business out of Data Impact. The Speedscan Group at that stage comprised the original Speedscan Australia (Sydney and Melbourne) business which I had started in 1997, together with business we established in The Philippines and the Microview business we acquired in 2006. The MBO also provided us with the capital to take advantage of the opportunity in late 2007, to acquire Datacap, a document capture, mail handling and outsource service business with offices in Auckland, Wellington and Christchurch.

We have now expanded our data processing capabilities across Australia and New Zealand as well as in the Philippines and employ over 120+ staff across the above x

geographies, creating the largest independent provider of Document Process Outsourcing "DPO" solutions in Australia/New Zealand with approximately half of our revenue generated by our NZ operations.

JS What are the primary services that Speedscan offers?

MJ Speedscan reduces the cost of companies to manage document intensive business processes. We do this by providing an extensive range of document based services including, inbound mail handling, document capture, forms recognition/OCR, data processing as well as workflow and routing, . This is combined print presentment and electronic invoice / statement delivery together with our very strong hosted document repository services. We focus on mission critical, document intensive business processes that can be effectively outsourced. We are looking at expanding our print output management service capability, most likely through strategic partnerships, as the demands for multi-channel communications increases, particularly in the banking & insurance markets. One of our key differentiators is the extent of our hosted services which are managed via our significant investment in IT infrastructure and a secure VPN network. This allows us to leverage our offshore data entry in the Philippines on a 24x7 basis assuring our clients a secure, seamless turn around of their electronic documents and data.

JS Have you developed your own software to manage your document outsource services, or do you use best of breed imaging and BPM software or a combination of both?

MJ We use a combination of industry leading technologies combined with applications built by our team of developers. There is no point in reinventing the wheel. We use a series of industry toolkits and build them into our applications. Most of the technologies around our workflow/routing and content archive have been developed by our team.

This technology is extensively utilised in the daily processing of documents and archival /retrieval of documents in such areas as accounts payable, claims for insurance companies and mortgage applications in the banking sector.

JS Which markets (vertical, horizontal, etc.) are your key markets and account for the majority of your sales?

MJ Our primary markets are in the banking, insurance and local government sectors. However, we have some significant clients across other markets, such as manufacturing and distribution.

JS Who do you consider to be your primary competitors?

MJ We are one of few providers that can deliver an extensive range of outsourced document services across Australia and New Zealand in an integrated and seamless way. We are different from our major competitor because we control our own applications, and can respond in a more agile manner to the specific requirements of our clients. We often compete against inhouse software deployments, but increasingly the applications are being outsourced and we would typically see companies such as Salmat/HPA, Converg/ Datamail and Fuji/Xerox/Kaz most frequently in the respective markets. We consider ourselves to be the leading independent service provider in this area in both Australia & NZ. Outsourced document services is our core competency, we focus on what we are good at!

JS Following your acquisition of the NZ business, how has this positively affected your business? Do you see any unique differences in the NZ market in this sector to that in Australia? How about the greater Asian market, how do you see their adoption of the kind of services you are offering?

MJ It has been an important step for us for a number of reasons:

- We brought a new leadership team into the New Zealand business to execute on our strategy.
- The trans Tasman capability has allowed us to win new business from existing clients, as well as win business from new clients that have cross Tasman requirements to be serviced by a single partner.
- We have integrated the respective technology capabilities, bringing the strong NZ workflow/routing capabilities with Australia's strength in hosted content repository and print presentment.

This allowed us to expand the solution offering on both sides of the Tasman. We have also appointed a group CTO to manage the strategy and direction of our technology development.

- We have been able to share industry specific knowledge in areas such as mortgage process, insurance claims, local government and others.
- Lastly, the simple advantage of scale has allowed us to make investments in technology development and infrastructure, as well compete for business, that we previously could not have contemplated. My perception is that in many respects the NZ market has more readily adopted document outsourced services than in Australia given the relatively smaller size of most organisations that can find it more difficult to cost justify large, often expensive, in-house eDM/ECM related software solutions. The economic downturn, of course, is affecting both markets and cost savings and improved efficiencies gained by outsourcing non core but mission critical document intensive business processes is driving positive growth for us in both Australia & NZ. With respect to the greater Asian region, although we have only have a handful of clients in this region, it is my perception that their adoption of document process outsourcing is not as prevalent as our local market for two main reasons. One is the obvious benefits of lower labour costs to employ in-house systems across most Asian countries and the other is an inherent concern about the loss of control, security and confidentiality of sensitive data in these markets.

JS Do you see the growth of SaaS and web services having a positive impact on your document outsource services business?

MJ Very much so, as witnessed by the growth of our document hosting services. The increasing adoption of web based SaaS in areas such CRM and other customer facing applications, including document automation and output management, the rise of enterprise wide applications for social networking and collaboration software are all positive drivers for a greater acceptance of our outsourced solutions.

JS Can you discuss some of the opportunities available to you? Where do you see the biggest growth opportunities?

MJ Our growth is coming from the ability within our team to understand the unique requirements of each client and create improved solutions utilising technology and outsourced processes, enabling greater efficiency and lower costs.

As already indicated our biggest growth is in applications that are higher up the value chain in more business process related services such as Accounts Payable, Mortgage Processing, Insurance Claims/Applications.

We have also had an incredible response to our SpeedSEND solution which allows companies to notify and present via email, combined documents such as invoices and supporting documents.

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We can significantly reduce the cost and mitigate the risk of a company's IT investment by providing definable service level agreements that generate positive business outcomes for our clients. All of this is delivered as an outsourced service with minimal upfront investment.

JS How would you characterize the current business and economic environment? What impact do you see this having on your business, both positive and negative, over the next 12-18 months?

MJ The economic downturn has no doubt affected our market. On the positive side it has meant that organisations are increasingly cost conscious and therefore the ability to offer cost reduction on internal business processes is always attractive. More and more large organisations are turning to us for ideas on how we can improve their document intensive business processes and reduce operating costs. However, on the flip side this has caused greater price pressures and the need for us to articulate our value proposition clearly.

JS The overall ECM market space has seen many acquisitions over the last 2-3 years. Can you talk about these and their impact on your business? Are further acquisitions part of your own business strategy?

MJ My view is that market consolidation, particularly in the software area, has caused a level of confusion on the part of the buyer with respect to branding and what exactly such companies are offering their clients. In the area of Document Outsourced Services we see an opportunity for independent companies such as Speedscan to leverage our focus, flexibility and customer intimacy versus larger merged service providers that have multiple diverse business divisions. Yes, making further strategic acquisitions is very much part of our business strategy over the next 2-3 years particularly if this will enlarge our customer base, increase our scale and capability in turn allowing us to upsell our range of document & business process outsource services.

JS How would you like to see your business develop over the coming 12 or 18 months? Where do you want to take the company in the longer term?

MJ Our objectives are to double the size of our business over the next 2-3 years through a combination of sustained organic growth and strategic acquisitions.

JS Can you give us a quick sense of your financial strengths and your ability to achieve your strategy and growth plans?

MJ Speedscan is the leading independent provider of outsourced document solutions in the region. We have solid financial backing from two private equity firms, Accretion (NZ) and Direct Capital (NZ). We are debt free, profitable and we have the right resources in people and technology in place to achieve our goals over the next 3-5 years.

JS Has it been a challenge for management to maintain the focus as you've grown and do you have the team in place now to make sure you can execute on your objectives.

MJ We have a very solid team of experienced industry professionals working for us in both Australia & NZ and managing our operations in the Philippines. We are very much a "hands on" company. We are, however, always looking for talented individuals to help us grow the business.

JS What are going to be the main challenges for you to overcome?

MJ We have been under-represented in the Federal/ Central government area limiting our ability to win some major contracts. However we expect this to change as we increase our size and capacity.

JS What is the mission and the vision that drives your company?

MJ Partner with our clients to drive significant and sustainable cost improvements in their document intensive business processes by combining experience, leading edge technologies and robust scalable processes, to deliver world class outsourcing solutions.

JS What are the three or four best reasons for investors / customers (as appropriate) to look towards your company?

MJ

1. We are one of the leading, financially stable, independent document outsource service companies in the region
2. We are technically innovative and flexible
3. We are very focused on our business and have an experienced team to meet our customer's individual requirements

Many thanks, Mark for providing an overview of Speedscan's business and sharing such market perspectives..

FOR MORE INFORMATION:

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Like to know more? Visit www.speedscan.com.au